

West Bonner County School District No. 83

Financial Report
June 30, 2020

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Report of Independent Auditor

Board of Trustees
West Bonner County School District No. 83
Priest River, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of West Bonner County School District No. 83 ("the District"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of West Bonner County School District No. 83, as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12, the budgetary comparison schedule on page 49, the other postemployment benefits schedules on pages 51 through 53, and the pension schedules on pages 55 and 56, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual General Fund and nonmajor fund financial statements, and Schedule of Changes in Student Activity Funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual General Fund and nonmajor fund financial statements, Schedule of Changes in Student Activity Funds, and the Schedule of Expenditures of Federal Awards, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual General Fund and nonmajor fund financial statements, Schedule of Changes in Student Activity Funds, and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a separate report dated November 10, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

DeCoria, Maichel + Teague, P.S.

DeCoria, Maichel & Teague, P.S.
Spokane, Washington

November 10, 2020

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020

The management's discussion and analysis of the financial performance of West Bonner County School District No. 83 provides an overall narrative review of the District's financial activities for the year ended June 30, 2020. The intent of this discussion and analysis is to look at the District's performance as a whole. Readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the District's financial performance. Information contained in this section is supplemented by the more detailed information contained elsewhere in the District's financial statements, notes to financial statements and any accompanying supplementary information. To the extent this discussion contains any forward-looking statements of the District's plans, objectives, expectations and prospects, the actual results could differ materially from those discussed herein.

The number of students attending West Bonner schools averaged 1,040 students over the entire school year. Our average daily student attendance generated 55.05 units on the July 15th state payment for salary and benefit apportionment. The total reimbursement for last fiscal year was \$3,560,036.40 for salaries and \$697,411.13 for benefits.

The District has had a supplemental levy in place since 2000 that has been used for instructional expenditures, capital purchases and facility improvements. These supplemental levies have been voter-approved levies to provide funding for such items as textbooks, technology, teacher training, furniture, buses, school and library supply funds, extracurricular equipment funds and funding facility needs.

FINANCIAL HIGHLIGHTS

- Total net position for 2020 increased \$157,461, which represents a 5.9% increase from fiscal year 2019.
- In the governmental funds, General Fund revenues for fiscal years 2020 and 2019 account for \$10,156,511 and \$10,103,510, or 85% and 84% of total revenues, respectively. The General Fund consists of the General Fund (Fund 100), Medical Insurance Fund, Contingency Fund, Supplemental Levy Fund, and General Grants Fund. Other state and federal fund revenues, in the form of charges for services and grants and contributions, accounted for \$1,792,839 and \$1,956,301, or 15% and 16% of total revenues for fiscal years 2020 and 2019, respectively.
- In the governmental funds, General Fund expenditures for fiscal years 2020 and 2019 account for \$10,096,646 and \$9,535,561, or 83% and 81% of total expenditures, respectively. Other state and federal fund expenditures accounted for \$2,006,775 and \$2,215,366, or 17% and 19% of total expenditures for fiscal years 2020 and 2019, respectively.

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020

- The General Fund's fund balance was \$2,538,715 and \$2,647,970 for fiscal years ending 2020 and 2019, respectively. The General Fund's fund balance decreased by \$109,256 from 2019 to 2020.
- Long-term debt decreased by \$759,321 from 2019. This decrease was due primarily to the Governmental Accounting Standards Board (GASB) Statement No. 68 requirement to report on the Statement of Net Position the District's proportionate share (\$2,156,079) of the PERSI Base Plan's net pension liability as of June 30, 2020, compared to \$2,931,919 as of June 30, 2019.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) district-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

District-Wide Financial Statements. The district-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business. These statements are prepared using the accrual basis of accounting and include all assets and liabilities.

The Statement of Net Position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The district-wide financial statements outline functions of the District that are principally supported by state revenues, property taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, support services, non-instruction, and capital assets programs.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020

- **Governmental funds** – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets, which can readily be converted to cash, flow in and out, and (2) the balances left at year-end that are available for funding future basic services. Consequently, the governmental funds financial statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Governmental fund information does not report on long-term commitments as is reported in the district-wide statements. Therefore, reconciliations of the differences between the governmental funds and the district-wide statements are included as separate statements.
- **Fiduciary funds** – The District serves as a trustee, or fiduciary, for student scholarship trust funds, employee's cafeteria plan funds, and student activity funds. The assets of these organizations belong to the organization, and not the District. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and only by those to whom the assets belong. These activities are excluded from the district-wide financial statements because the District cannot use these assets to finance its operations.

Notes to Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process.

The District adopts an annual operating budget for all governmental funds. A budgetary comparison schedule has been provided for the General Fund.

Additionally, a Schedule of Expenditures of Federal Awards, as required by the Uniform Guidance (formerly, OMB Circular A-133), can be found in this report.

DISTRICT-WIDE FINANCIAL ANALYSIS

Net Position. Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets plus deferred outflows exceeded liabilities plus deferred inflows by \$2,810,547 as of June 30, 2020.

By far the largest portion of the District's net position is invested in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment); less accumulated depreciation and any related debt used to acquire those assets that is still outstanding.

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020

Table 1 presents the District's summarized Statements of Net Position for the fiscal years ended June 30, 2020 and 2019.

Table 1
Statements of Net Position

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	June 30, 2020	June 30, 2019	% Change
Current Assets	\$ 4,138,772	\$ 4,270,464	-3.1%
Noncurrent Assets	2,819,509	2,648,609	6.5%
Deferred Outflows of Resources	1,221,162	1,380,546	-11.5%
Total Assets and Deferred Outflows of Resources	8,179,443	8,299,619	-1.4%
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Current Liabilities	1,429,923	1,390,186	2.9%
Noncurrent Liabilities	2,168,648	2,927,969	-25.9%
Deferred Inflows of Resources	1,770,325	1,328,378	33.3%
Total Liabilities and Deferred Inflows of Resources	5,368,896	5,646,533	-4.9%
NET POSITION			
Net Investment in Capital Assets	2,781,736	2,648,609	5.0%
Restricted for Program Requirements	354,206	328,464	7.8%
Restricted for Replacement of Plant Equipment	37,768	37,768	0%
Designated for Specific Purposes	1,047,929	958,639	9.3%
Unrestricted Net Position (deficit)	(1,411,092)	(1,320,394)	6.9%
Total Net Position	\$ 2,810,547	\$ 2,653,086	5.9%

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020

Changes in net position. As shown in **Table 2**, the District relies significantly on state support (54%) for funding of its governmental activities. Additionally, local property tax support accounts for 27% of the District's governmental activities. The District had total revenues of \$11,906,595. Total revenues exceeded total expenses by \$157,461.

Table 2
Changes in Net Position

REVENUES	2020	2019
<i>Program Revenues:</i>		
Charges for services	\$ 43,151	\$ 49,531
Operating grants and contributions	2,041,920	1,536,709
<i>General Revenue:</i>		
Property taxes, general purposes	3,258,120	3,244,220
State aid, unrestricted	6,400,234	7,015,167
Federal Forest	36,107	41,880
Other local sources	125,863	170,871
Gain on disposal of capital assets	1,200	1,200
Total Revenues	11,906,595	12,059,578
EXPENSES		
Instructional services	\$ 5,823,395	\$ 5,503,880
Support services	5,394,124	5,317,168
Non-instructional services	516,080	543,794
Capital assets and debt service	15,535	38,797
Total Expenses	11,749,134	11,403,639
Change in net position	157,461	655,939
Net position, beginning of year	2,653,086	1,997,147
Net position, end of year	\$ 2,810,547	\$ 2,653,086

Governmental Activities. The following table presents the cost of the District's major functional activities: instructional programs, support service programs, non-instruction programs, capital asset program, and principal and interest. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and District's taxpayers by each of these functions.

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020

Table 3
Net Cost of Governmental Activities

EXPENSES	2020	2019	% Change
Instructional programs	\$ 4,862,774	\$ 4,815,713	1.0%
Support service programs	4,685,983	4,823,410	-2.8%
Non-instructional programs	99,771	139,479	-28.5%
Capital assets and debt service	15,535	38,797	-60.0%
Net Expenses	\$ 9,664,063	\$ 9,817,399	-1.2%
REVENUES			
Property taxes	\$ 3,258,120	\$ 3,244,220	0.4%
Other local revenue and gain on disposal	127,063	172,071	-26.3%
State assistance and reimbursements	6,400,234	7,015,167	-8.8%
Other federal revenues	36,107	41,880	-13.8%
Net Revenues	\$ 9,821,524	\$10,473,338	-6.2%

Net cost of governmental activities was financed primarily by general revenue, which is primarily made up of state support payments of \$6,400,234 for 2020 and \$7,015,167 for 2019.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the District's governmental funds is to provide information on current inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$2,650,924, a decrease of \$109,255, which includes a contingency reserve balance of \$1,195,529. The contingency reserve balance is a committed fund balance and can be used only for the specific purposes determined by a formal action of the Board of Trustees. The District has restricted fund balances totaling \$391,974 for General Fund grants, Medicaid expenditures and bus acquisitions. Restricted fund balance can only be spent on specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The District has an assigned fund balance of \$187,309 for the Medical Insurance Fund, as reported within the General Fund, and an assigned fund balance of \$860,620 for instruction. Assigned fund balances are those balances that are intended to be used by the District for specific purposes, but do not meet the criteria to be classified as restricted or committed.

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS, CONTINUED

The General Fund is the principal operating fund of the District.

BUDGETARY HIGHLIGHTS

The District adopts an original budget in June for the subsequent year. The budget is then often amended later in the fiscal year, typically in February or March, following determination of the first attendance period and certification of all levies on property taxes.

State revenues are primarily driven through the measurement of attendance for the first nine weeks of the school year. The changes in state revenues due to this snapshot in time for the purposes of wage and benefits appropriation were addressed in the December amendment process.

CAPTIAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. West Bonner County School District No. 83 has \$2,819,509 in capital assets, net of accumulated depreciation and amortization. These assets are made up of a broad range of items including buildings, improvements, transportation equipment and other equipment. The District has a \$5,000 threshold for capitalization of fixed assets. This year's major additions totaled \$503,925 and primarily included a new bus and building improvements paid by supplemental levy dollars.

Long-Term Debt. The District has no bonded indebtedness. The District has a total of \$2,168,648 of long-term debt, which consists of the noncurrent portion of compensated absences and capital lease obligations, if any, other postemployment benefits and pension liabilities. The deferred outflows and deferred inflows of resources related to the net OPEB and pension liabilities decrease the District's net position by \$549,163.

Table 4 below shows changes in compensated absences along with current maturities.

Table 4
Change in Compensated Absences and
Current Maturities

Balance, July 1, 2019	\$57,799
Additions	93,895
Retirements/Payments	83,829
Balance, June 30, 2020	\$67,865

Additional information on the District's compensated absences and capital lease obligation can be found in Note 12 included in this report. Additional information on the District's other long-term, which consists of other postemployment benefits and pension liabilities, can be found in Notes 13 and 14, respectively.

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020

CURRENT ISSUES

Currently known factors that will impact the District's financial status in the future are:

- The District relies solely on state support for salaries, benefits and fixed costs such as utilities and fuel. This approach to budget-building makes it more difficult each year to present an adopted budget without budget reductions. Since our state revenues are generated by student enrollment and average daily attendance, the percentage of time a student attends school determines the funding level for that student. The current funding levels from state support do not pay 100% of the District's salaries and benefits. Any expenses above state reimbursed salaries and benefits are paid by entitlement funds or *Discretionary Funds* and voter approved supplemental levy funds.
- Discretionary Funds are paid through state support to the District on a per unit dollar amount – units are calculated from student average daily attendance. The average entitlement amount paid to school districts since 2000 is \$23,833 per unit. Each year fixed costs such as fuel and utilities have increased substantially, yet the funding school districts receive to pay these costs have not increased at the same rate or level. West Bonner County School District must be able to pay for its fixed costs and sometimes the Board must make budget reductions to have a balanced budget.

FY	Entitlement	Inc(Decr)	% Change
1999-2000	\$ 23,217.27		
2000-01	24,440.40	\$ 1,223.13	5.27%
2001-02	22,935.54	(1,504.86)	-6.16%
2002-03	23,128.74	193.20	0.84%
2003-04	24,447.00	1,318.26	5.70%
2004-05	24,450.00	3.00	0.01%
2005-06	24,695.00	245.00	1.00%
2006-07	25,436.00	741.00	3.00%
2007-08	25,442.00	6.00	0.02%
2008-09	25,696.00	254.00	1.00%
2009-10	25,459.00	(237.00)	-0.92%
2010-11	21,795.00	(3,664.00)	-14.39%
2011-12	19,626.00	(2,169.00)	-9.95%
2012-13	19,706.00	80.00	0.41%
2013-14	20,000.00	294.00	1.49%
2014-15	22,401.00	2,401.00	12.01%
2015-16	23,868.00	1,467.00	6.55%
2016-17	25,696.00	1,828.00	7.66%
2017-18	26,748.00	1,052.00	4.09%
2018-19	27,481.00	733.00	2.74%
2019-20	28,090.00	609.00	2.22%

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020

- On May 21, 2020 the District's voters approved a two-year supplemental levy that primarily supports the District, the co-curricular and extra-curricular programs, and facility improvements. Due to the state reductions throughout the years, the District is unable to continue to fund these expenditures from its General Fund discretionary dollars. These expenditures will continue to be supplemental levy expenditures until such time the state supports the funding of these programs.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact:

West Bonner County School District
Jennifer Anselmo, Business Manager
JenniferAnselmo@sd83.org
134 Main Street
Priest River, Idaho 83856
(208) 448-4439

West Bonner County School District No. 83
Statement of Net Position - District-Wide
June 30, 2020

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents (Note 6)	\$ 2,399,463
Receivables (Note 7)	1,703,175
Prepaid expenses	9,120
Inventory	27,014
Total current assets	4,138,772
Noncurrent assets:	
Capital assets, net of accumulated depreciation (Note 8)	2,819,509
Total assets	6,958,281
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to the net other postemployment benefit (OPEB) liability (Note 13)	121,754
Deferred outflows related to the net pension liability (Note 14)	1,099,408
Total deferred outflows of resources	1,221,162
LIABILITIES	
Current liabilities:	
Accounts payable	73,603
Accrued payroll and related liabilities	1,210,212
Unearned grant revenue	70,090
Accrued compensated absences, due within one year (Note 12)	67,865
Capital lease obligation, due within one year (Note 12)	8,153
Total current liabilities	1,429,923
Noncurrent liabilities:	
Capital lease obligation, due after one year (Note 12)	29,620
Net other postemployment benefit (OPEB) liability (asset) (Note 13)	(17,051)
Net pension liability (Note 14)	2,156,079
Total noncurrent liabilities	2,168,648
Total liabilities	3,598,571
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to the net OPEB liability (Note 13)	558,027
Deferred inflows related to the net pension liability (Note 14)	1,212,298
Total deferred inflows of resources	1,770,325
Commitments and contingencies (Notes 16 through 18)	
NET POSITION	
Net investment in capital assets	2,781,736
Restricted for program requirements	354,206
Restricted for replacement of plant equipment	37,768
Designated for specific purposes	1,047,929
Unrestricted net position (deficit)	(1,411,092)
Total net position	\$ 2,810,547

The accompanying notes are an integral part of the basic financial statements.

West Bonner County School District No. 83
Statement of Activities - District-Wide
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
GOVERNMENTAL ACTIVITIES				
Instruction:				
Elementary programs	\$ 2,370,476	\$ 4,200	\$ 576,402	\$ (1,789,874)
Secondary programs	1,894,523	-	96,467	(1,798,056)
Vocational education programs	244,566	-	-	(244,566)
Special education programs	989,943	-	283,552	(706,391)
Exceptional child, gifted and talented programs	1,396	-	-	(1,396)
Interscholastic and school activity programs	303,969	-	-	(303,969)
Summer school	18,522	-	-	(18,522)
Total instruction	5,823,395	4,200	956,421	(4,862,774)
Support services:				
Attendance, guidance and health	383,645	-	101,127	(282,518)
Special services	394,931	-	162,478	(232,453)
Instruction improvement	658,315	-	301,610	(356,705)
Educational media program	201,685	-	-	(201,685)
Technology program	436,314	-	129,168	(307,146)
District administration	281,141	-	-	(281,141)
School administration	744,025	-	13,758	(730,267)
Business operations	350,424	-	-	(350,424)
Custodial and maintenance	1,332,798	-	-	(1,332,798)
Transportation	610,846	-	-	(610,846)
Total support services	5,394,124	-	708,141	(4,685,983)
Non-instruction programs:				
Child nutrition program	516,080	38,951	377,358	(99,771)
Total non-instruction programs	516,080	38,951	377,358	(99,771)
Debt service	15,535	-	-	(15,535)
Total debt service	15,535	-	-	(15,535)
Total governmental activities	\$ 11,749,134	\$ 43,151	\$ 2,041,920	(9,664,063)
GENERAL REVENUES				
Property taxes, general purposes				3,258,120
Other local sources				125,863
State aid, unrestricted				6,400,234
National forest reserve				36,107
Gain on disposal of capital assets				1,200
Total general revenue				9,821,524
Change in net position				157,461
Total net position, beginning of year				2,653,086
Total net position, end of year				\$ 2,810,547

The accompanying notes are an integral part of the basic financial statements.

West Bonner County School District No. 83
Balance Sheet - Governmental Funds
June 30, 2020

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS			
Assets:			
Cash and cash equivalents	\$ 2,161,994	\$ 237,469	\$ 2,399,463
Receivables	1,387,065	316,110	1,703,175
Prepaid expenses	9,120	-	9,120
Inventory	-	27,014	27,014
Due from other funds	194,350	-	194,350
Total assets	<u>\$ 3,752,529</u>	<u>\$ 580,593</u>	<u>\$ 4,333,122</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 71,862	\$ 1,741	\$ 73,603
Accrued payroll and related liabilities	1,008,009	202,203	1,210,212
Unearned grant revenue	-	70,090	70,090
Due to other funds	-	194,350	194,350
Total liabilities	<u>1,079,871</u>	<u>468,384</u>	<u>1,548,255</u>
Deferred inflows of resources:			
Deferred property tax revenue	133,943	-	133,943
Total deferred inflows of resources	<u>133,943</u>	<u>-</u>	<u>133,943</u>
Fund balances:			
Nonspendable:			
Prepaid expenses	9,120	-	9,120
Inventories	-	27,014	27,014
Restricted for:			
Program requirements	286,137	68,069	354,206
Replacement of plant equipment	-	37,768	37,768
Committed for:			
Unforeseen expenditures	1,195,529	-	1,195,529
Assigned to:			
Instruction	860,620	-	860,620
Support services	187,309	-	187,309
Unassigned	-	(20,642)	(20,642)
Total fund balances	<u>2,538,715</u>	<u>112,209</u>	<u>2,650,924</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,752,529</u>	<u>\$ 580,593</u>	<u>\$ 4,333,122</u>

West Bonner County School District No. 83
Reconciliation of the Balance Sheet - Governmental Funds
with the Statement of Net Position - District-Wide
June 30, 2020

Amounts reported for governmental activities in the Statement of Net Position - District-Wide are different because:

Total fund balances - Governmental Funds	\$ 2,650,924
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Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.

The cost of capital assets is	\$ 14,191,704	
Accumulated depreciation is	<u>(11,372,195)</u>	2,819,509

Property taxes receivable will be collected, but are not available soon enough to pay for current period liabilities, and are therefore reported as deferred inflows of resources in the governmental funds.	133,943
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Noncurrent liabilities, including accrued compensated absences, capital lease obligations, other postemployment benefit (OPEB) liabilities and net pension liability, are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds:

Accrued compensated absences, due within one year	(67,865)	
Capital lease obligation, due within one year	(8,153)	
Capital lease obligation, due after one year	(29,620)	
Net OPEB liability (asset)	17,051	
Net pension liability	<u>(2,156,079)</u>	(2,244,666)

Deferred outflows and deferred inflows of resources related to the net pension and other postemployment benefit (OPEB) liabilities are not financial resources and therefore are not reported in the governmental funds.

Deferred outflows related to the net OPEB liability	121,754	
Deferred inflows related to the net OPEB liability	(558,027)	
Deferred outflows related to the net pension liability	1,099,408	
Deferred inflows related to the net pension liability	<u>(1,212,298)</u>	(549,163)

Total net position - District-Wide	<u>\$ 2,810,547</u>
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West Bonner County School District No. 83
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2020

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES			
Property taxes	\$ 3,302,075	\$ -	\$ 3,302,075
Other local revenue	172,901	38,951	211,852
State assistance and reimbursements	6,681,535	177,437	6,858,972
National Forest Reserve	-	36,107	36,107
Other federal revenues	-	1,540,344	1,540,344
Total revenues	<u>10,156,511</u>	<u>1,792,839</u>	<u>11,949,350</u>
EXPENDITURES			
Instruction:			
Elementary programs	1,855,405	469,559	2,324,964
Secondary programs	1,800,561	66,672	1,867,233
Vocational education programs	243,361	-	243,361
Special education programs	735,575	283,552	1,019,127
Exceptional child, gifted and talented programs	1,125	-	1,125
Interscholastic and school activity programs	311,136	-	311,136
Summer school	15,437	-	15,437
Total instruction	<u>4,962,600</u>	<u>819,783</u>	<u>5,782,383</u>
Support services:			
Attendance, guidance and health	328,930	61,127	390,057
Special services	227,184	219,618	446,802
Instruction improvement	462,568	154,109	616,677
Educational media program	203,850	-	203,850
Technology program	295,149	129,168	424,317
District administration	265,184	-	265,184
School administration	745,203	13,758	758,961
Business operations	391,240	-	391,240
Custodial and maintenance	1,667,289	-	1,667,289
Transportation	511,272	95,985	607,257
Total support services	<u>5,097,869</u>	<u>673,765</u>	<u>5,771,634</u>
Non-instruction programs:			
Child nutrition programs	14,799	513,227	528,026
Total non-instruction programs	<u>14,799</u>	<u>513,227</u>	<u>528,026</u>
Debt service	21,378	-	21,378
Total capital assets and debt service	<u>21,378</u>	<u>-</u>	<u>21,378</u>
Total expenditures	<u>10,096,646</u>	<u>2,006,775</u>	<u>12,103,421</u>
Excess (deficiency) of revenues over (under) expenditures	59,865	(213,936)	(154,071)
OTHER FINANCING SOURCES (USES)			
Proceeds from capital leases	43,616	-	43,616
Proceeds from sales of capital assets	-	1,200	1,200
Transfers from (to) other funds	(212,736)	212,736	-
Net changes in fund balances	(109,255)	-	(109,255)
Total fund balances, beginning of year	<u>2,647,970</u>	<u>112,209</u>	<u>2,760,179</u>
Total fund balances, end of year	<u>\$ 2,538,715</u>	<u>\$ 112,209</u>	<u>\$ 2,650,924</u>

The accompanying notes are an integral part of the basic financial statements.

West Bonner County School District No. 83
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds with the Statement of Activities - District-Wide
For the Year Ended June 30, 2020

Amounts reported for governmental activities in the Statement of Activities - District-Wide are different because:

Net changes in fund balances - Governmental Funds \$ (109,255)

Capital outlays to purchase capital assets are reported in governmental funds as expenditures. However, in the Statement of Activities - District-Wide, the cost of these assets is allocated over their estimated useful lives as depreciation. Amounts recognized for these items in the current year are as follows:

Capital outlays	\$ 503,925	
Depreciation and amortization expense	(333,025)	
		170,900

Some property taxes will not be collected until several months after the District's fiscal year end, and therefore will not be available to pay liabilities of the current period. Accordingly, they are recorded as deferred inflows of resources. They are, however, recorded as revenue in the Statement of Activities - District-Wide. The change in unearned property taxes during the current fiscal year is an adjustment. (43,955)

In the Statement of Activities - District-Wide, certain operating expenses (e.g., compensated absences) and certain non-pension retirement benefits (e.g., other postemployment benefits) are measured by the amount earned or incurred during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (i.e., the amount actually paid). In the current year, compensated absences and other postemployment benefits paid exceeded compensated absences and other postemployment benefits earned. 43,276

In the Statement of Activities - District-Wide, pension expense (revenue) is actuarially determined and adjusted by amortization of deferred outflows and deferred inflows of resources. In the governmental funds, however, pension expenditures are measured by the amount of financial resources used (i.e., the amount of contributions actually paid). The difference between contributions paid and the changes in the District's proportionate share of the Base Plan's net pension liability and the related deferred outflows and deferred inflows of resources is an 134,268

Borrowings under capital leases are considered revenue and repayments of capital lease principal are reported as expenditures in the governmental funds, but the proceeds and repayments are recorded within long-term obligations in the Statement of Net Position - District-Wide. Amounts recognized for these items in the current year are as follows:

Proceeds from capital lease obligations	(43,616)	
Repayment of capital lease principal	5,843	
		(37,773)

Change in net position - District-Wide \$ 157,461

West Bonner County School District No. 83
Statement of Net Position - Fiduciary Funds
June 30, 2020

	Student Scholarship Fund	AFLAC Cafeteria Plan Fund	Student Activity Funds
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,022	\$ 43,574	\$ 180,430
Total assets	<u>2,022</u>	<u>\$ 43,574</u>	<u>\$ 180,430</u>
LIABILITIES			
Current liabilities:			
Deposits due to employees	-	\$ 43,574	\$ -
Due to student groups	-	-	180,430
Total liabilities	<u>-</u>	<u>\$ 43,574</u>	<u>\$ 180,430</u>
NET POSITION			
Held for benefit of others	<u>\$ 2,022</u>		

West Bonner County School District No. 83
Statement of Changes in Net Position - Fiduciary Funds
For the Year Ended June 30, 2020

	Student Scholarship Fund
Additions:	
Interest and investment earnings	\$ -
Total additions	-
Deductions:	
Scholarships	-
Total deductions	-
Change in net position	-
Net position, beginning of year	2,022
Net position, end of year	\$ 2,022

West Bonner County School District No. 83
Notes to Financial Statements
June 30, 2020

1. Organization

West Bonner County School District No. 83 ("the District") is governed by a locally elected five-member Board of Trustees ("the Board"), which has governance responsibilities over all activities related to public elementary and secondary school education in western Bonner County, Idaho. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding entities. The District is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards, since board members are elected by the public; have decision-making authority; have the power to designate management; have the responsibility to significantly influence operations; and have primary accountability for fiscal matters. Additionally, the District has no component units which are required to be included in its reporting entity.

2. District-Wide and Fund Financial Statements

Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments* (GASB No. 34) defines the financial reporting requirements and the reporting model for the annual financial reports of state and local governments. The financial information required by GASB No. 34 includes:

Management's Discussion and Analysis

The management's discussion and analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities in a narrative format. An analysis of the District's overall financial position and results of operations is included to assist users in assessing whether the financial position has improved or deteriorated as a result of the year's activities.

District-Wide Financial Statements

The district-wide financial statements, including the Statement of Net Position – District-Wide and the Statement of Activities – District-Wide, report information on all of the non-fiduciary activities of the District. These statements report the *governmental activities* of the District. Governmental transactions are generally financed through taxes, intergovernmental revenues, and other nonexchange transactions.

In general, the effect of interfund transactions has been eliminated from the district-wide financial statements. Exceptions to this general rule are transactions between the District's governmental and fiduciary activities. Elimination of these transactions would distort the direct costs and program revenues reported for the various functions concerned.

The Statement of Activities – District-Wide presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function. The District does not charge indirect expenses to programs or functions. Program revenues include (a) fees, fines and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

West Bonner County School District No. 83
Notes to Financial Statements, Continued
June 30, 2020

2. District-Wide and Fund Financial Statements, Continued

Fund Financial Statements

The fund financial statements provide information on the District's funds, including its fiduciary funds. Separate statements for each fund category – *Governmental* and *Fiduciary* – are presented. The emphasis of fund financial statements is on major governmental funds, with each displayed separately.

Budgetary Comparison Schedule

The budgetary comparison schedule is presented as required supplementary information to demonstrate whether resources were obtained and used in accordance with the District's legally adopted budget (see Note 4). The District may revise the original budget over the course of the year for various reasons. Under the reporting model prescribed by GASB No. 34, budgetary information continues to be provided, and includes comparisons of the District's original adopted budget to the final budget and actual results.

3. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The district-wide and fiduciary funds financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under the accrual basis, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements stipulated by the provider have been met and satisfied.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be measurable when the amount of the transaction can be determined, and available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers tax revenues to be available if they are collected within 60 days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims, judgments, compensated absences, early retirement liabilities, other postemployment benefit liabilities and net pension liabilities, which are recognized to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from long-term debt and acquisitions under capital leases are reported as other financing sources.

The District reports the following major governmental fund:

General Fund: The General Fund is the primary operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The revenue of the fund consists primarily of local property taxes and state funds. This is a budgeted fund, and any unassigned or unencumbered fund balances are considered as resources available for use.

West Bonner County School District No. 83
Notes to Financial Statements, Continued
June 30, 2020

3. Measurement Focus, Basis of Accounting and Financial Statement Presentation, Continued

The District reports the following fiduciary funds:

Student Scholarship Fund: The Student Scholarship Fund is a private-purpose trust fund used to account for funds donated for scholarships awarded to graduating seniors who will be attending college, vocational or technical training schools. This fund does not include revenues and expenditures for general operations of the District.

AFLAC Cafeteria Plan Fund: The AFLAC Cafeteria Plan Fund is an agency fund used to account for funds withheld from employees' paychecks for reimbursement of medical expenses. This fund has no net position, assets are equal to liabilities, and it does not include revenues and expenditures for general operations of the District.

Student Activity Funds: The Student Activity Funds are agency funds used to account for activities of student groups and other types of activities requiring clearing accounts. These funds have no net position, assets are equal to liabilities, and do not include revenues and expenditures for general operations of the District.

4. Budgetary Information

Budgets are adopted on a modified accrual basis, consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for all funds. All annual appropriations lapse at year-end.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- a) The District publishes a proposed budget for public review.
- b) Public hearings are held to obtain taxpayer comments.
- c) Prior to July 1, the budget is adopted by resolution of the Board of Trustees and published.
- d) The final budget is then filed with the State Department of Education. Expenditures may not legally exceed budgeted appropriations at the functional level. The legal level of budgetary control is the functional level at which the Board must approve any over-expenditures of appropriations or transfers of appropriated amounts.

During the fiscal year ended June 30, 2020, the budget was amended to reflect revised revenue and expense estimates. The amendment was properly approved by the Board of Trustees.

5. Summary of Significant Accounting Policies

Accounting Principles Generally Accepted in the United States of America

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles and standards. The District has adopted and applied all applicable GASB pronouncements, including GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

West Bonner County School District No. 83
Notes to Financial Statements, Continued
June 30, 2020

5. Summary of Significant Accounting Policies, Continued

Recent Accounting Pronouncements

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. Statement No. 84 is now set to become effective for the District beginning in the fiscal year ending June 30, 2021 (see Statement No. 95). The District is currently evaluating the financial statement impact of adopting this statement.

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Statement No. 87 is now effective for the District beginning in the fiscal year ending June 30, 2022 (see Statement No. 95). The District is currently evaluating the financial statement impact of adopting this statement.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments.

West Bonner County School District No. 83
Notes to Financial Statements, Continued
June 30, 2020

5. Summary of Significant Accounting Policies, Continued

The requirements of Statement No. 92 that are related to the effective date of Statement No. 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The requirements related to the other topics covered in Statement No. 92 are now effective for the District beginning in the fiscal year ending December 31, 2022 (see Statement No. 95). The District is currently evaluating the financial statement impact of adopting this statement.

In May 2020, as a direct response to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic, the GASB issued GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which are effective immediately. This statement postpones by one year the effective dates of provisions in most GASB Statements and Implementation Guides due to be implemented by state and local governments for fiscal years 2019 and later.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of this Statement is to better meet the information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirements for Subscription-Based Information Technology Arrangements (SBITAs); (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. Statement No. 96 is effective for the District beginning in the fiscal year ending June 30, 2023. The District is currently evaluating the financial statement impact of adopting this statement.

Cash and Cash Equivalents

Cash received by the District in its governmental funds is pooled for investment purposes. Interest earned on the balances in the pooled accounts is allocated to the participating funds in proportion to the average daily balances in each fund. The District considers investments in the cash management pool and all highly liquid investments with maturities of three months or less when purchased to be cash equivalents. Additionally, deposits in the State of Idaho Treasurer's Local Government Investment Pool (LGIP), if any, are available to the District on demand and, accordingly, are considered to be cash equivalents.

Investments

At times, the District invests in the LGIP. Investments are authorized by Board policy as permitted by Idaho Code, section 67-1210. Deposits in the LGIP are stated at fair market value, which approximates cost, and consist of local certificates of deposit, repurchase agreements and U.S. government securities.

Inventories

Inventories, which consist of food supplies, are reported at the lower of cost (first-in, first out) or net realizable value, or if donated, at fair value when received. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Donated food commodities are reported in the Child Nutrition Fund as revenue and expense when received.

West Bonner County School District No. 83
Notes to Financial Statements, Continued
June 30, 2020

5. Summary of Significant Accounting Policies, Continued

Receivables

Receivables are stated at the amount management expects to collect from outstanding balances. When considered necessary, management provides for probable uncollectible amounts through an allowance for doubtful accounts based on its assessment of the current status of individual receivables from grants, contracts and others. Balances which are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for doubtful accounts and a credit to the applicable accounts receivable. Because management expects all June 30, 2020 receivables to be collectible, no allowance for doubtful accounts has been provided as of that date.

Capital Assets

Capital assets are reported in the district-wide financial statements and as expenditures in the governmental fund financial statements. Purchased or constructed capital assets are reported at historical cost, less accumulated depreciation. If historical cost is unknown, estimated historical cost is used. Donated capital assets are recorded at estimated fair market value at the date of donation, less accumulated depreciation. Costs of routine repairs and maintenance that do not improve or extend the useful lives of the related assets are not capitalized. The District uses a capitalization threshold of \$5,000. When capital assets are sold or otherwise disposed of, the cost and associated accumulated depreciation are removed from the respective accounts, and the resulting gain or loss, if any, is recorded in the Statement of Activities – District-Wide.

All reported capital assets except land and construction in progress are depreciated. Depreciation is calculated on capital assets using the straight-line method over the estimated useful lives of those assets, as follows:

	<u>Years</u>
Buildings, building improvements and portable units	20 to 40
Furniture and equipment	3 to 20
Buses	8
Other vehicles	3 to 5

Fair Value Measurements

GASB Statement No. 72, *Fair Value Measurements and Application*, establishes a fair value hierarchy for those assets and liabilities measured at fair value, that distinguishes between assumptions based on market data (observable inputs) and the District's own assumptions (unobservable inputs). The hierarchy consists of: Level 1 – quoted market prices in active markets for identical instruments; Level 2 – inputs other than Level 1 inputs that are observable; and Level 3 – unobservable inputs developed using estimates and assumptions determined by the District. At June 30, 2020, there were no assets or liabilities of the District that were measured at fair value on a recurring basis.

Certain assets and liabilities are measured at fair value on a nonrecurring basis; that is, the instruments are not measured at fair value on an ongoing basis, but are subject to fair value adjustments only in certain circumstances (for example, when there is evidence of impairment). The District had no assets or liabilities measured at fair value on a nonrecurring basis during 2020.

West Bonner County School District No. 83
Notes to Financial Statements, Continued
June 30, 2020

5. Summary of Significant Accounting Policies, Continued

Accrued Liabilities and Long-Term Obligations

Liabilities shown on the governmental fund financial statements are those that have become due and payable at the end of the fiscal year, which are expected to be paid during the upcoming fiscal year, and are reported as an expenditure and fund liability of the governmental fund that will pay it. On the district-wide financial statements, liabilities that become due and payable within one year after the financial statement date are included in current liabilities, while liabilities that become due and payable after that time are shown as noncurrent liabilities.

Compensated Absences

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences* (GASB No. 16). Compensated absences consist of accumulated personal and vacation leave balances that are unpaid by the financial statement date. All eligible employees of the District receive personal leave at the beginning of the year. In accordance with GASB No. 16, no liability is recorded for non-vesting accumulated rights to receive sick pay.

Under the terms of agreements with the local education association, employees earn vacation in amounts that vary based on tenure and classification. The District records a liability for accumulated unused vacation for all eligible employees.

Accumulated personal and vacation leave that has become due and payable at the end of the fiscal year, which is expected to be paid during the upcoming fiscal year, is reported as an expenditure and fund liability of the governmental fund that will pay it. The District has reported all accumulated personal and vacation leave as a current obligation in the district-wide financial statements. The District's management believes that any accumulated personal and vacation leave that is not expected to be utilized by employees during the upcoming fiscal year is immaterial to the financial statements taken as a whole. When an employee terminates employment with the District, unused personal and vacation leave hours are paid at the employee's current hourly rate.

Postemployment Benefit Obligations Other than Pensions

The District maintains two postemployment benefit plans that allow for certain costs of retiree and retiree dependents' medical benefits to be covered. All employees of the District may become eligible for these benefits if they remain employed until normal retirement age. Additionally, employees who are eligible for early retirement may also become eligible for these benefits. The postemployment benefit plans are accounted for in accordance with GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (see Note 13). The District accrues the estimated cost of benefit payments over the beneficiaries' active service periods.

Pensions

For purposes of measuring the net pension liability and pension expense (revenue), information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan), and additions to, or deductions from, the Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

West Bonner County School District No. 83
Notes to Financial Statements, Continued
June 30, 2020

5. Summary of Significant Accounting Policies, Continued

Net Position

Net position represents the difference between assets plus deferred outflows, and liabilities plus deferred inflows. Net position is comprised of the various net earnings from operating income, nonoperating revenues and expenses, and capital contributions. Net position is classified in the following four components.

Net investment in capital assets. This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted net position. This component of net position consists of amounts subject to constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Designated net position. This component of net position consists of amounts that have been designated by the Board of Directors to be set aside for future capacity-related and capital improvements.

Unrestricted net position. This component of net position consists of amounts that do not meet the definition of "net investment in capital assets," "restricted" or "designated."

Use of Restricted Resources

When expenditures qualify to be paid out of both restricted and unrestricted resources, it is the policy of the District to use restricted resources first.

Fund Balances

GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions* (GASB Statement No. 54), defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB Statement No. 54 requires the fund balance amounts to be properly reported within one of the following fund balance classifications (see Note 15):

Nonspendable: The portion of fund balance that is not expected to be converted to cash, such as inventories and prepaid expenses, if any;

Restricted: The portion of fund balance that can be used only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation;

Committed: The portion of fund balance that can be used only for the specific purposes determined by a formal action of the District's Board of Trustees (the District's highest level of decision-making authority);

Assigned: The portion of fund balance that is intended to be used by the District for specific purposes, but does not meet the criteria to be classified as restricted or committed; and

Unassigned: The residual portion of fund balance for the District's General Fund and includes all spendable amounts not included in the other classifications.

West Bonner County School District No. 83
Notes to Financial Statements, Continued
June 30, 2020

5. Summary of Significant Accounting Policies, Continued

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at fiscal year-end are reported as fund balance since they do not constitute expenditures or liabilities. An appropriation equal to the outstanding year-end encumbrance is made in the succeeding year. Unspent appropriations lapse at year-end.

The District's encumbrance policy is for fiscal year-end individual encumbrances exceeding \$50,000 to be considered significant encumbrances. All encumbrances outstanding at year-end are reported either as committed fund balance or assigned fund balance in the General Fund, or as restricted fund balance in other funds, if any (see Note 15). At June 30, 2020, there were no significant encumbrances.

Fund Balance Spending Policy

The District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. First, nonspendable fund balances are determined. Then, restricted fund balances for specific purposes are determined (not including nonspendable amounts). Then, any remaining fund balance amounts for governmental funds other than the General Fund are classified as restricted fund balance.

It is possible for governmental funds other than the General Fund to have negative unassigned fund balances when non-spendable amounts plus restricted amounts exceed the positive fund balance.

Property Taxes

In accordance with Idaho State Law, an ad valorem property tax is levied in September for each calendar year. Taxes are recorded by the District using the modified accrual basis of accounting. Levies are made on the second Monday of September. All of the personal property taxes are due on or before June 20 of the following year. One-half of the real property taxes are due on or before both June 20 and December 20 of the following year. Unpaid property taxes attach as an enforceable lien on property as of January 1 of the following year. Notice of foreclosure is filed with the County Clerk on property three years from the date of delinquency. The property tax revenue is budgeted for the ensuing fiscal year. Bonner County acts as an agent for the District in both the assessment and collection of property taxes. The County remits tax revenues to the District monthly, with the majority of the collections being remitted in January and July.

In the governmental funds financial statements, property taxes are recorded as revenue in the period for which the taxes are levied, to the extent that they are both measurable and available. Property taxes receivable which are collectible subsequent to 60 days after the financial statement date are reflected in the fund financial statements as deferred inflows of resources. In the district-wide financial statements, all property taxes receivable, regardless of when they are collected, are recorded as revenue in the period for which the taxes are levied.

West Bonner County School District No. 83
Notes to Financial Statements, Continued
June 30, 2020

5. Summary of Significant Accounting Policies, Continued

Grant Revenue

The District receives financial assistance from governmental agencies in the form of grants, which are accounted for in special revenue funds. Revenue is deemed earned and thus recognized when applicable program expenditures are recorded. Funds received but not earned at June 30, 2020 are recorded as unearned grant revenue.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates and affect the amounts reported in the financial statements.

Subsequent Events

The District has evaluated subsequent events through November 10, 2020, the date as of which these financial statements were available to be issued. No material subsequent events have occurred since June 30, 2020 that required recognition or disclosure in these financial statements.

6. Cash and Cash Equivalents

Cash and cash equivalents consist of deposits held in checking accounts and a money market account with a local bank. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's bank deposits at the financial institution were insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at June 30, 2020.

The carrying amount of cash and cash equivalents at June 30, 2020 appears in the financial statements as summarized below:

Cash and cash equivalents, Statement of Net Position – District-Wide	\$ 2,399,463
Cash and cash equivalents, Statement of Net Position – Fiduciary Funds	<u>226,026</u>
	<u>\$ 2,625,489</u>

Bank balances at June 30, 2020 totaled \$2,706,702. The differences between the carrying amount of cash and cash equivalents on the District's books and the bank balances consisted of outstanding checks and deposits not processed by the bank as of June 30, 2020.

A summary of the total insured and collateralized bank balances at June 30, 2020 is as follows:

Insured by FDIC	\$ 250,000
Collateralized with security held by pledging institution's trust department or correspondent bank under a joint custody receipt in the name of the District and the financial institution.	<u>2,456,702</u>
Total bank balances	<u>\$ 2,706,702</u>

West Bonner County School District No. 83
Notes to Financial Statements, Continued
June 30, 2020

7. Receivables

Receivables as of June 30, 2020 are as follows:

Property taxes receivable	\$ 975,310
Delinquent property taxes receivable	133,943
State support receivable	267,509
Grants receivable	323,635
Accounts receivable	<u>2,778</u>
Total receivables	<u>\$ 1,703,175</u>

Property taxes receivable consist of property taxes levied for the current and prior fiscal years that were received within the first 60 days after June 30, 2020.

Delinquent property taxes receivable consist of property taxes levied for the current and prior fiscal years, which were not collected within the current period or within the first 60 days after the end of the District's fiscal year. These amounts have been offset by a deferred inflow of resources in the governmental fund financial statements.

State support receivable consists of revenues due to the District under the State's school district funding model that were received in July and August 2020.

Grants receivable consist of revenues earned by the District from various local, state or federal grants that were not received by the District as of June 30, 2020.

No allowance has been made for uncollectible amounts, as management believes any such potential amounts are immaterial.

8. Capital Assets

Capital asset activity for the year ended June 30, 2020 is as follows:

	Balance June 30, 2019	Additions	Transfers	Disposals	Balance June 30, 2020
Buildings, building improvements and portable units	\$ 10,356,703	\$ 344,508	\$ 55,359	\$ --	\$ 10,756,570
Furniture and equipment	1,262,030	63,432	--	--	1,325,462
Buses	1,781,668	95,985	--	(54,028)	1,823,625
Other vehicles	<u>94,116</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>94,116</u>
Capital assets in service	13,494,517	503,925	55,359	(54,028)	13,999,773
Accumulated depreciation	<u>(11,093,198)</u>	<u>(333,025)</u>	<u>--</u>	<u>54,028</u>	<u>(11,372,195)</u>
	2,401,319	170,900	--	--	2,627,578
Land	191,931	--	--	--	191,931
Construction in progress	<u>55,359</u>	<u>--</u>	<u>(55,359)</u>	<u>--</u>	<u>--</u>
Total capital assets	<u>\$ 2,648,609</u>	<u>\$ 170,900</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 2,819,509</u>

West Bonner County School District No. 83
Notes to Financial Statements, Continued
June 30, 2020

8. Capital Assets, Continued

Depreciation expense recorded in the Statement of Activities – District-Wide was charged to governmental functions as follows:

Instructional services:	
Elementary programs	\$ 96,024
Secondary programs	89,283
Alternative school program	617
	185,924
Support services:	
Technology program,	9,862
District administration	15,740
Custodial and maintenance	16,541
Transportation	99,614
	141,757
Non-instruction programs:	
Child nutrition program	5,344
	\$ 333,025

9. Interfund Receivables and Payables

Interfund receivables and payables arise primarily from one fund holding cash on behalf of another fund in order to limit the number of bank accounts held by the District. Interfund receivables and payables may also arise from one fund making payments on behalf of another fund to cover expenditures until grant reimbursements are received. When grant reimbursements are received, the paying fund is reimbursed for the payments made on behalf of the receiving fund.

Interfund receivables and payables at June 30, 2020 are summarized as follows:

<u>Due To</u>	<u>Due From</u>	<u>Amount</u>
General Fund	Child Nutrition Fund	\$ 13,355
General Fund	Title I-A Fund	96,265
General Fund	Title VI Part B Fund	12,143
General Fund	Title VI Part B Preschool Fund	4,543
General Fund	REAP Fund	30,146
General Fund	Carl Perkins Fund	23,334
General Fund	GEAR UP Fund	14,564

West Bonner County School District No. 83
Notes to Financial Statements, Continued
June 30, 2020

10. Interfund Transfers

Interfund transfers for the year ended June 30, 2020 are summarized as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Reason</u>	<u>Amount</u>
General Fund	General Grants Fund	Transfer carryover balance	\$ 2,709
General Fund	Medicaid Fund	Cover operating shortfall	57,140
General Fund	Child Nutrition	To cover Food Services deficit	96,918
General Fund	Bus Acquisition	Transfer depreciation funds	73,822
Medical Insurance	General Fund	Budgeted transfer for insurance	90,000
Contingency Fund	General Fund	Budgeted transfer for shortfall	222,240
Supplemental Levy 16-17	Supp Levy 19-20	Transfer carryover balance	131,195
Supplemental Levy 17-18	Bus Acquisition	Bus purchase	19,173
Supplemental Levy 18-19	Bus Acquisition	Bus purchase	1,790
Supplemental Levy 19-20	General Fund	Budgeted transfer for shortfall	2,125,237
Federal Forest	General Fund	Budgeted transfer	36,107

11. Short-Term Borrowings

The District had no short-term borrowings outstanding at June 30, 2020, nor were there any short-term borrowings or repayments during the year then ended.

12. Long-Term Obligations

Accrued Compensated Absences

No portion of accrued compensated absences was considered to be due and payable as of June 30, 2020. Accordingly, the District has not recorded any amount of accrued compensated absences in the governmental fund financial statements.

Capital Leases

During 2020, the District entered into a capital lease agreement for the purchase of photocopiers. The lease has a term of 5 years and calls for monthly payments of \$827, including an implicit interest rate of 5.19%.

Future minimum lease payments under the remaining capital lease obligation are as follows:

Year ending June 30,

2021	\$ 9,925
2022	9,925
2023	9,925
2024	9,925
2025	<u>2,482</u>
Total future minimum lease payments	42,182
Less amount representing interest	<u>(4,409)</u>
Present value of net minimum lease payments	37,773
Less amount due within one year	<u>(8,153)</u>
Amount due after one year	<u>\$ 29,620</u>

West Bonner County School District No. 83
Notes to Financial Statements, Continued
June 30, 2020

12. Long-Term Obligations, Continued

A summary of the changes in long-term obligations of the District for the year ended June 30, 2020 is as follows:

	Balance June 30, 2019	Obligations Incurred	Obligations Paid	Balance June 30, 2020	Due Within One Year
Accrued compensated absences	\$ 57,799	\$ 93,895	\$ (83,829)	\$ 67,865	\$ 67,865
Capital lease obligation	--	43,616	(5,843)	37,773	8,153
Total long-term obligations	<u>\$ 57,799</u>	<u>\$ 137,511</u>	<u>\$ (89,672)</u>	<u>\$ 105,638</u>	<u>\$ 76,018</u>

13. Other Postemployment Benefits

GASB Statement No. 75 (GASB No. 75), *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* established standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. The District has two OPEB plans that are accounted for in accordance with GASB No. 75, as described below.

The District offers medical, dental, long-term care, prescription drug and vision insurance benefits to its retirees and their dependents, accounted for as an OPEB (the "Insurance Plan"). All employees of the District may become eligible for these benefits if they remain employed until normal retirement age. Additionally, employees who are eligible for early retirement may also become eligible for these benefits. The District does not explicitly contribute towards the cost of certain of these benefits for retirees, including long-term care and dental.

The District also participates in the Public Employee Retirement System of Idaho (PERSI or System) Sick Leave Insurance Fund (the "Sick Leave Plan"), as required by Idaho Statute. Employees who retire with an accumulated sick leave account, and are eligible for PERSI pension benefits, may use their sick leave account balance as a credit towards group retiree health, dental, accident, and life insurance premiums paid directly to the applicable insurance company.

Insurance Plan

Plan Description

In accordance with Chapter 13, Title 59, Idaho Code, employees who have attained the normal retirement age of 65, or the early retirement age of 55, and completed 5 years of contractual service with the District are eligible to retire and participate in the District's healthcare plan by paying premiums equal to those charged for the District's active employees. Spouses and eligible dependent children of retirees may also be covered. The District does not explicitly contribute towards the cost of these benefits for retirees. This option creates a defined benefit other post-employment benefits plan (OPEB) since retirees are typically older than the average age of active plan participants and therefore receive a benefit of lower insurance rates. The OPEB plan is a single-employer defined benefit plan administered by the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The District covers OPEB costs when they come due, on a pay-as-you-go basis.

West Bonner County School District No. 83
Notes to Financial Statements, Continued
June 30, 2020

13. Other Postemployment Benefits, Continued

Insurance Plan, Continued

OPEB Benefits

The OPEB plan provides healthcare insurance benefits for retirees, eligible spouses and dependents as defined in Chapter 13, Title 59, Idaho Code. Eligible retirees are required to pay the full amount of their health insurance premiums.

Employees Covered by Benefit Terms

As of June 30, 2019, the most recent valuation date, the following employees are covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	8
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>149</u>
	<u>157</u>

The active employees have an average age of 51.3 as of June 30, 2019, the most recent valuation date, and an average of 12.0 years of service.

OPEB Liabilities, OPEB Expense (Expense Offset), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

As of June 30, 2020, the District reported a total OPEB liability of \$416,007 related to this plan. The net OPEB liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of June 30, 2019, with update procedures used to roll forward the total OPEB liability to the measurement date. For the year ended June 30, 2020, the District recognized OPEB expense of \$9,312 related to this plan. Since the District records costs as they come due, there are no deferred outflows of resources for contributions to the OPEB plan. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ --	\$ 475,108
Changes in assumptions or other inputs	<u>7,008</u>	<u>57,889</u>
Total	<u>\$ 7,008</u>	<u>\$ 532,997</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in pension expense (revenue) as follows:

Year Ending June 30,

2021	\$ (61,332)
2022	(61,332)
2023	(61,332)
2024	(61,332)
2025	(61,332)
Thereafter	<u>(219,329)</u>
	<u>\$ (525,989)</u>

West Bonner County School District No. 83
Notes to Financial Statements, Continued
June 30, 2020

13. Other Postemployment Benefits, Continued

Insurance Plan, Continued

OPEB Liabilities, OPEB Expense (Expense Offset), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB, Continued

The amortization period for changes in assumptions or other inputs and differences between expected and actual experience is based on the average expected remaining service lives of all employees that are provided with OPEB through the District (active and inactive employees). The amortization period, which was determined at June 30, 2019, is 10.76 years.

Actuarial Assumptions

The total OPEB liability as of June 30, 2020 was determined using the following assumptions and other inputs, based on the most recent actuarial valuation date of June 30, 2019, applied to all periods included in the measurement:

Participation rates	45.0% of future retirees will elect medical coverage 45.0% of future retirees will elect dental coverage 70.0% of future married retirees will elect spousal coverage
---------------------	---

Marital status – at retirement	Actual spousal information is used for current retirees 60.0% of future retirees are assumed to be married Males are assumed to be 3 years older than females
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Discount rate	3.50%
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Average salary increase	3.75%
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Healthcare cost trend rate:

<u>Plan year</u>	<u>Medical</u>	<u>Prescription Drugs</u>	<u>Dental</u>
2019	5.2%	5.2%	1.7%
2020	6.9%	6.9%	3.3%
2021	6.5%	6.5%	3.0%
2022	6.0%	6.0%	2.5%
2023	5.9%	5.9%	2.0%
2024	5.7%	5.7%	2.0%
2025	5.6%	5.6%	2.0%
2026	5.5%	5.5%	2.0%
2027	5.3%	5.3%	2.0%
2028	5.2%	5.2%	2.0%
2029+	4.8% (average)	4.8% (average)	2.0%

West Bonner County School District No. 83
Notes to Financial Statements, Continued
June 30, 2020

13. Other Postemployment Benefits, Continued

Insurance Plan, Continued

Actuarial Assumptions, Continued

Mortality for healthy participants is assumed to follow the RP-2000 Healthy Combined Mortality Table adjusted with generational mortality adjustments using Scale AA, set back three years for both males and females.

Mortality for disabled participants is assumed to follow the RP-2000 Disabled Mortality Table adjusted with generational mortality adjustments using Scale AA, set back one year for males and set forward two years for females.

The annual age 65 per capita claims costs for the period from July 1, 2017 to June 30, 2018 are as follows:

<u>Coverage</u>	<u>Medical</u>	<u>Prescription Drugs</u>	<u>Dental</u>
Before Medicare Eligibility	\$ 8,929	\$ 1,786	\$ 462
After Medicare Eligibility	N/A	N/A	N/A

The following retiree contributions are a weighted average of all retiree contributions for the year ended June 30, 2019:

<u>Medical and Prescription Drug</u>	<u>Retiree/Surviving Spouse</u>	<u>Spouse</u>
Before Medicare Eligibility	\$ 6,451	\$ 7,820
After Medicare Eligibility	N/A	N/A
<u>Dental</u>		
Before Medicare Eligibility	\$ 407	\$ 407
After Medicare Eligibility	N/A	N/A

Changes in the Total OPEB Liability

The following table shows the changes in the total OPEB liability for the fiscal year ended June 30, 2020:

Balance at June 30, 2019	<u>\$ 390,543</u>
Service cost	37,697
Interest	14,323
Differences between expected and actual experience	--
Changes in assumptions or other inputs	--
Benefit payments	<u>(26,556)</u>
Increase in net OPEB liability	<u>25,464</u>
Balance at June 30, 2020	<u>\$ 416,007</u>

West Bonner County School District No. 83
Notes to Financial Statements, Continued
June 30, 2020

13. Other Postemployment Benefits, Continued

Insurance Plan, Continued

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability reported by the District calculated using the discount rate of 3.50%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or higher than the current rate:

	1% Decrease (2.50%)	Current Rate (3.50%)	1% Increase (4.50%)
Employer's proportionate share of the net OPEB liability (asset)	\$ 436,223	\$ 416,007	\$ 396,289

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the total OPEB liability reported by the District calculated using the current healthcare cost trend rate, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or higher than the current rate:

	1% Decrease	Current Rate	1% Increase
Employer's proportionate share of the net OPEB liability (asset)	\$ 383,971	\$ 416,007	\$ 452,207

Sick Leave Plan

Plan Description

The District contributes to the Sick Leave Insurance Reserve Fund (Sick Leave Plan) which is a cost-sharing multiple-employer defined benefit OPEB plan that covers members receiving retirement benefits that are administered by PERSI that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for the Sick Leave Plan. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Responsibility for administration of the Sick Leave Plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service and three members who are Idaho citizens not members of the Base Plan except by reason of having served on the Board.

OPEB Benefits

Group retiree health, dental, accident, and life insurance premiums may qualify as a benefit. Retirees who have a sick leave account can use their balance as a credit towards these premiums paid directly to the applicable insurance company.

West Bonner County School District No. 83
Notes to Financial Statements, Continued
June 30, 2020

13. Other Postemployment Benefits, Continued

Sick Leave Plan, Continued

Employer Contributions

The contribution rate for employers is set by statute at .065% of covered compensation for state members. Covered school members' contribution rates are set by statute based on the number of sick days offered by the employer. The contribution rates are 1.16% for school members with nine or ten sick days and 1.26% for school members with 11-14 sick days. If a school member has more than 14 days of sick leave then the contribution rate will be set by the PERSI Retirement Board based on current cost and actuarial data and reviewed annually. In addition, during November 2019, the PERSI Retirement Board approved an 18-month rate holiday from January 1, 2020 to June 30, 2021. During the rate holiday, all sick leave contribution rates are 0.0%. The District's contributions to the PERSI Sick Leave Plan were \$37,628 for the year ended June 30, 2020.

OPEB Liabilities, OPEB Expense (Expense Offset), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2020, the District reported an asset of \$433,058 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB asset was based on the District's share of contributions relative to the total contributions of all employers participating in the Sick Leave Plan. At June 30, 2019, the District's proportion was 0.004521366.

For the year ended June 30, 2020, the District recognized net OPEB expense (expense offset) related to the Sick Leave Plan of \$(20,154). At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs for the Sick Leave Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 45,848	\$ --
Changes in assumptions or other inputs	1,604	--
Net difference between projected and actual earnings on investments	--	25,030
Change in proportionate share	29,666	--
Contributions made subsequent to the measurement date	37,628	--
Total	<u>\$ 114,746</u>	<u>\$ 25,030</u>

The amount reported as deferred outflows of resources related to OPEBs for the Sick Leave Plan resulting from the District's contributions subsequent to the measurement date, in the amount of \$37,628, will be recognized as a reduction of the net pension liability in the year ending June 30, 2021.

West Bonner County School District No. 83
Notes to Financial Statements, Continued
June 30, 2020

13. Other Postemployment Benefits, Continued

Sick Leave Plan, Continued

OPEB Liabilities, OPEB Expense (Expense Offset), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB, Continued

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs for the Sick Leave Plan will be recognized in OPEB expense (revenue) as follows:

Year Ending June 30,

2021	
2022	\$ 4,923
2023	4,923
2024	4,923
2025	10,492
Thereafter	12,573
	<u>14,254</u>
	<u>\$ 52,088</u>

The amortization of the net difference between projected and actual earnings on investments is amortized over a closed 5-year period, beginning in the current fiscal year. The amortization period for changes in assumptions or other inputs and differences between expected and actual experience is based on the average expected remaining service lives of all employees that are provided with OPEB through the System (active and inactive employees). The amortization period, which was determined at July 1, 2018, the beginning of the measurement period ended June 30, 2019, is 9 years.

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. The Sick Leave Plan amortizes any net OPEB asset based on a level percentage of payroll. The maximum amortization period for the Sick Leave Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	3.75%
Salary inflation	3.75%
Investment rate of return	7.05%, net of investment expenses

The long-term expected rate of return on OPEB plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The health care trend rate is not applicable as the benefit amount a participant will receive is established with a set amount upon retirement thus would have no impact.

West Bonner County School District No. 83
Notes to Financial Statements, Continued
June 30, 2020

13. Other Postemployment Benefits, Continued

Sick Leave Plan, Continued

Actuarial Assumptions

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

<i>Asset Class</i>	<u>Target Allocation</u>	<u>Long-Term Expected Nominal Rate of Return (Arithmetic)</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Core Fixed Income	30.00%	3.05%	0.80%
Broad US Equities	55.00%	8.30%	6.05%
Developed Foreign Equities	15.00%	8.45%	6.20%
Assumed inflation – mean		2.25%	2.25%
Assumed inflation – standard deviation		1.50%	2.00%
Portfolio arithmetic mean return		6.75%	4.50%
Portfolio standard deviation		12.54%	12.54%
Portfolio long-term expected geometric rate of return		6.13%	3.77%
Assumed investment expenses		<u>0.40%</u>	<u>0.40%</u>
Long-term expected geometric rate of return, net of investment expenses		<u>5.73%</u>	<u>3.37%</u>
Portfolio long-term expected real rate of return net of investment expenses			4.19%
Assumed inflation			14.16%
<i>Valuation Assumptions Chosen by PERSI Board</i>			
Long-term expected real rate of return, net of investment expenses			4.05%
Assumed inflation			<u>3.00%</u>
Long-term expected geometric rate of return, net of investment expenses			<u>7.05%</u>

West Bonner County School District No. 83
Notes to Financial Statements, Continued
June 30, 2020

13. Other Postemployment Benefits, Continued

Sick Leave Plan, Continued

Discount Rate

The discount rate used to measure the total OPEB liability was 7.05%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the OPEB plan's net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The long-term expected rate of return was determined net of OPEB plan investment expense but without reduction for OPEB plan administrative expense.

Sensitivity of the Net OPEB Asset to Changes in the Discount Rate

The following presents the Employer's proportionate share of the net OPEB asset calculated using the discount rate of 7.05%, as well as what the Employer's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.05%)	Current Rate (7.05%)	1% Increase (8.05%)
Employer's proportionate share of the net OPEB liability (asset)	\$ (381,331)	\$ (433,058)	\$ (482,255)

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued PERSI financial report. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Payables to the OPEB Plan

At June 30, 2020, the District reported no payables to the defined benefit OPEB plan for legally required employer contributions not yet remitted to PERSI.

Summary of OPEB Plans

Amounts reported in the District's Statement of Net Position – District-Wide and Statement of Activities – District-Wide for both OPEB plans as of and for the year ended June 30, 2020 are summarized as follows:

	Insurance Plan	Sick Leave Plan	Total
Net OPEB liability (asset)	\$ 416,007	\$ (433,058)	\$ (17,051)
Deferred outflows of resources	7,008	114,746	121,754
Deferred inflows of resources	532,997	25,030	558,027
Net OPEB expense (expense offset)	9,312	(20,154)	(10,842)

14. Public Employee Retirement System of Idaho Base Plan

Plan Description

The District contributes to the Base Plan, which is a cost-sharing, multiple-employer defined benefit pension plan administered by the Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Responsibility for administration of the Base Plan is assigned to the PERSI Board, which is comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service and three members be Idaho citizens who are not members of the Base Plan, except by reason of having served on the Board.

Pension Benefits

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (five months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months. Amounts in parenthesis represent police/firefighters.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases, up to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

Member and Employer Contributions

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation and earnings from investments. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates, which are expressed as percentages of annual covered payroll, if current rates are actuarially determined to be inadequate or in excess of the rates needed to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% (72%) of the employer rate. As of June 30, 2020, the required contribution rate as a percentage of covered payroll for members was 6.79% (8.36%). The employer contribution rate is set by the Retirement Board and was 11.32% (11.66%) of covered compensation. The District's employer contributions required and paid were \$777,527 for the year ended June 30, 2020. Effective July 1, 2019, the required contribution rates as a percentage of covered payroll was increased to 7.16% (8.81%) and 11.94% (12.28%) for employees and employers, respectively.

West Bonner County School District No. 83
Notes to Financial Statements, Continued
June 30, 2020

14. Public Employee Retirement System of Idaho Base Plan, Continued

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the District reported a liability of \$2,156,079 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the Base Plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2019, the District's proportionate allocation was 0.001888858.

For the year ended June 30, 2020, the District recognized net pension expense of \$643,257. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 200,374	\$ 254,105
Changes of assumptions or other inputs	119,933	--
Net difference between projected and actual earnings on investments	--	734,514
Change in proportionate share	1,574	223,679
Contributions made subsequent to the measurement date	<u>777,527</u>	<u>--</u>
Total	<u>\$ 1,099,408</u>	<u>\$ 1,212,298</u>

The amount reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date, in the amount of \$777,527, will be recognized as a reduction of the net pension liability in the year ending June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

Year Ending June 30,

2021	\$ (165,135)
2022	(399,978)
2023	(204,689)
2024	<u>(120,615)</u>
	<u>\$ (890,417)</u>

The amortization of the net difference between projected and actual earnings on investments is amortized over a closed 5-year period, beginning in the current fiscal year. The amortization period for changes in assumptions or other inputs and differences between expected and actual experience is based on the average expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees). The amortization period, which was determined at July 1, 2018, the beginning of the measurement period ended June 30, 2019, is 4.8 years.

West Bonner County School District No. 83
Notes to Financial Statements, Continued
June 30, 2020

14. Public Employee Retirement System of Idaho Base Plan, Continued

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.75%
Salary inflation	3.75%
Investment rate of return	7.05%, net of investment expenses
Cost-of-living adjustments	1.00%

Mortality rates were based on the RP – 2000 combined table for healthy males or females as appropriate with the following offsets:

- Set back 3 years for teachers
- No offset for male police/firefighters
- Forward one year for female police/firefighters
- Set back one year for all general employees and all beneficiaries

An experience study was performed for the period July 1, 2013 through June 30, 2017 which reviewed all economic and demographic assumptions other than mortality. The Total Pension Liability as of June 30, 2019 is based on the results of an actuarial valuation date of July 1, 2019.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

West Bonner County School District No. 83
Notes to Financial Statements, Continued
June 30, 2020

14. Public Employee Retirement System of Idaho Base Plan, Continued

Actuarial Assumptions, Continued

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of January 1, 2017.

<i>Asset Class</i>	<u>Target Allocation</u>	<u>Long-Term Expected Nominal Rate of Return (Arithmetic)</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Core Fixed Income	30.00%	3.05%	0.80%
Broad US Equities	55.00%	8.30%	6.05%
Developed Foreign Equities	15.00%	8.45%	6.20%
Assumed inflation – mean		2.25%	2.25%
Assumed inflation – standard deviation		1.50%	2.00%
Portfolio arithmetic mean return		6.75%	4.50%
Portfolio standard deviation		12.54%	12.54%
Portfolio long-term expected geometric rate of return		6.13%	3.77%
Assumed investment expenses		<u>0.40%</u>	<u>0.40%</u>
Long-term expected geometric rate of return, net of investment expenses		<u>5.73%</u>	<u>3.37%</u>
Portfolio long-term expected real rate of return net of investment expenses			4.19%
Assumed inflation			14.16%

Valuation Assumptions Chosen by PERSI Board

Long-term expected real rate of return, net of investment expenses	4.05%
Assumed inflation	<u>3.00%</u>
Long-term expected geometric rate of return, net of investment expenses	<u>7.05%</u>

Discount Rate

The discount rate used to measure the total pension liability was 7.05%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the Base Plan's net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense, but without reduction for pension plan administrative expense.

West Bonner County School District No. 83
Notes to Financial Statements, Continued
June 30, 2020

14. Public Employee Retirement System of Idaho Base Plan, Continued

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 7.05%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or higher than the current rate:

	1% Decrease (6.05%)	Current Rate (7.05%)	1% Increase (8.05%)
Employer's proportionate share of net pension liability (asset)	\$ 6,512,189	\$ 2,156,079	\$ 1,446,285

Payables to the Pension Plan

At June 30, 2020, the District reported \$175,371 in payables to the defined benefit pension plan for legally required employer contributions or employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

15. Fund Equity

GASB Statement No. 54 requires the fund balance amounts to be properly reported within one of five categories (see Note 5). Specific amounts reported as committed and assigned are summarized below:

Committed: The District's Committed Fund Balance is fund balance reporting required by the District's Board of Trustees, either because of a Board policy or because of motions that passed at Board meetings. At June 30, 2020, amounts reported as Committed Fund Balance represent unforeseen expenditures, totaling \$1,219,145, which is reported within the General Fund.

Assigned: The District's Assigned Fund Balance is fund balance reporting occurring by the Board administration authority, as designated by the District's superintendent. At June 30, 2020, amounts reported as Assigned Fund Balance represent General Fund amounts available to be used on District expenditures in accordance with the above policy.

Restrictions of net position reported in the district-wide financial statements are established to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriable for future expenditures. Specific restrictions on net position are summarized below:

Program Requirements: The amount is restricted for expenditures in accordance with the terms and conditions specified in the grant and contract agreements.

Replacement of Plant Equipment: The amount is restricted for capital outlay expenditures, in accordance with Idaho State statutes.

West Bonner County School District No. 83
Notes to Financial Statements, Continued
June 30, 2020

16. Risk Management

Insurance

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Settled claims did not exceed coverage during any of the past three fiscal years.

Litigation

The District is occasionally named as a defendant in lawsuits arising principally in the normal course of operations. In the opinion of the administration, the outcome of these lawsuits will not have a material adverse effect on the accompanying district-wide financial statements and, accordingly, no provision for loss has been recorded.

17. Commitments and Contingencies

Grants and Contracts

The District receives significant financial assistance from federal and state governmental agencies in the form of grants, which are governed by various rules and regulations of the grantor agencies. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the District's independent auditors and other governmental auditors. Therefore, to the extent that the District has not complied with the terms and conditions governing the grants, refunds of any money received may be required, and the collectability of any related receivables at June 30, 2020 may be impaired. Based on prior experience, the District's administration believes such amounts, if any, would be immaterial.

COVID-19

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the United States. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, during April 2020, the Governor of the State of Idaho issued proactive emergency declarations in response to the spread of COVID-19. As a result, economic uncertainties have arisen, but the impact of COVID-19 has not had a material impact to the District's financial statements as of and through June 30, 2020. However, if the severity of the economic disruptions increase as the duration of the COVID-19 pandemic continues, there is the potential that negative financial impact could occur in the near future. However, any potential impact to the District is unknown at this time.

In addition, during 2020, the District was awarded a grant of \$389,575 under the Coronavirus Aid, Relief, and Economic Security (CARES) Act as part of the relief efforts related to COVID-19. Funds received under the umbrella of the CARES Act will be reported separately from other federal funds and will be subject to additional rules and regulations. Through June 30, 2020, no expenditures have been incurred and no funds have been received under this grant award.

18. Economic Dependency

The District receives a large portion of its funding from the State of Idaho. Therefore, the District is economically dependent on the State of Idaho for its continued operations.

Required Supplementary Information

West Bonner County School District No. 83
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Modified Accrual Basis	Variances Positive/(Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES					
Property taxes	\$ 3,176,000	\$ 3,176,000	\$ 3,302,075	\$ -	\$ 126,075
Interest and investment earnings	387	387	-	-	(387)
Other local revenue	4,000	26,500	172,901	22,500	146,401
State assistance and reimbursements	6,181,351	6,485,704	6,681,535	304,353	195,831
Total revenues	9,361,738	9,688,591	10,156,511	326,853	467,920
EXPENDITURES					
Instruction:					
Elementary programs	1,906,207	1,975,898	1,855,405	(69,691)	120,493
Secondary programs	2,025,364	2,048,971	1,800,561	(23,607)	248,410
Alternative school program	13,500	-	-	13,500	-
Vocational education programs	250,069	243,637	243,361	6,432	276
Special education programs	570,925	754,548	735,575	(183,623)	18,973
Exceptional child, gifted and talented programs	38,610	12,055	1,125	26,555	10,930
Interscholastic and school activity programs	688,787	399,242	311,136	289,545	88,106
Summer school	14,700	15,522	15,437	(822)	85
Total instruction	5,508,162	5,449,873	4,962,600	58,289	487,273
Support services:					
Attendance, guidance and health	454,672	385,860	328,930	68,812	56,930
Special services	393,468	229,967	227,184	163,501	2,783
Instruction improvement	591,366	671,980	462,568	(80,614)	209,412
Educational media program	225,622	218,891	203,850	6,731	15,041
Technology program	324,077	306,123	295,149	17,954	10,974
District administration	200,940	262,385	265,184	(61,445)	(2,799)
School administration	758,734	757,337	745,203	1,397	12,134
Business operations	322,420	355,515	391,240	(33,095)	(35,725)
Custodial and maintenance	1,759,800	1,765,462	1,667,289	(5,662)	98,173
Transportation	638,026	579,203	511,272	58,823	67,931
Total support services	5,669,125	5,532,723	5,097,869	136,402	434,854
Non-instruction programs:					
Child nutrition programs	15,976	15,964	14,799	12	1,165
Total non-instruction programs	15,976	15,964	14,799	12	1,165
Debt service	25,000	21,559	21,378	3,441	181
Total capital assets and debt service	25,000	21,559	21,378	3,441	181
Total expenditures	11,218,263	11,020,119	10,096,646	198,144	923,473
Excess (deficiency) of revenues over (under) expenditures	(1,856,525)	(1,331,528)	59,865	524,997	1,391,393
OTHER FINANCING SOURCES (USES)					
Proceeds from capital leases	-	-	43,616	-	43,616
Transfers from (to) other funds	309,621	360,445	(212,736)	50,824	(573,181)
Net change in fund balance	(1,546,904)	(971,083)	(109,255)	575,821	861,828
Total fund balance, beginning of year	1,546,904	971,083	2,647,970	(575,821)	1,676,887
Total fund balance, end of year	\$ -	\$ -	\$ 2,538,715	\$ -	\$ 2,538,715

West Bonner County School District No. 83
Notes to Budgetary Comparison Schedule
June 30, 2020

1. Basis of Presentation

The budgetary comparison schedule has been prepared on the modified accrual basis of accounting, which is the same basis of accounting used in the governmental funds financial statements.

2. Expenditures in Excess of Budgeted Amounts

As disclosed in Note 1 above, the budgetary comparison schedule has been prepared in conformance with the presentation used in the preparation of the Governmental Funds financial statements. This presentation differs from the account groupings required by Idaho Statutes for Board of Trustees' budgetary control at the functional level, as described in Note 4 to the Financial Statements. As a result, the Budgetary Comparison Schedule for the General Fund at page 49 discloses two instances in which actual expenditures exceeded budgeted expenditures. In fact, there were no instances in which General Fund expenditures exceeded budgeted expenditures at the functional levels required by Idaho Statutes.

West Bonner County School District No. 83
Schedule of Changes in the Total OPEB Liability and Related Ratios - Insurance Plan
Last 10 Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total OPEB liability, beginning of year	\$ 390,543	\$ 862,789	\$ 842,771	\$ 809,399	\$ 975,246
Service cost	37,697	60,446	64,236	68,678	54,614
Interest	14,323	35,268	34,648	33,543	43,769
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	(491,091)	-	-	(103,263)
Changes of assumptions or other inputs	-	8,608	-	-	(79,408)
Benefit payments	(26,556)	(85,477)	(78,866)	(68,849)	(81,559)
Net change in total OPEB liability	25,464	(472,246)	20,018	33,372	(165,847)
Total OPEB liability, end of year	\$ 416,007	\$ 390,543	\$ 862,789	\$ 842,771	\$ 809,399
Employer's covered employee payroll	\$ 6,374,516	\$ 6,393,402	\$ 6,395,207	\$ 6,337,049	\$ 6,163,227
Total OPEB liability as a percentage of covered payroll	6.53%	6.11%	13.49%	13.30%	13.13%
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Total OPEB liability, beginning of year	\$ 931,719	\$ 744,760	\$ 710,649	\$ 708,688	\$ 657,446
Service cost	47,553	47,553	50,101	57,586	60,952
Interest	33,673	33,673	32,332	32,567	30,532
Changes in benefit terms	N/A	N/A	N/A	N/A	N/A
Differences between expected and actual experience	N/A	N/A	N/A	N/A	N/A
Changes of assumptions or other inputs	N/A	N/A	N/A	N/A	N/A
Benefit payments	(38,203)	(38,203)	(48,425)	(48,776)	(40,320)
Net change in total OPEB liability	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, end of year	\$ 975,246	\$ 931,719	\$ 744,760	\$ 710,649	\$ 708,688
Employer's covered employee payroll	\$ 6,071,306	\$ 5,849,827	N/A	N/A	N/A
Total OPEB liability as a percentage of covered payroll	16.06%	N/A	N/A	N/A	N/A

* GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full ten-year trend is compiled, the District will present information for those years for which information is available.

West Bonner County School District No. 83
Schedule of Employer's Share of the Net OPEB Asset - PERSI Sick Leave Plan
Last 10 Plan Years *

Plan Year	Employer's Portion of NOA	Employer's Proportionate Share of NOA (a)	Employer's Covered Employee Payroll (b)	Employer's NOA as a Percentage of Covered Payroll (a/b)	Plan Net Position as a Percentage of Total OPEB Asset
2017	0.004958554	\$ (380,633)	\$ 6,337,049	-6.01%	136.78%
2018	0.004756087	(394,493)	6,395,207	-6.17%	135.69%
2019	0.004521366	(433,058)	6,393,402	-6.77%	138.51%

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full ten-year trend is compiled, the District will present information for those years for which information is available.

Data reported is measured as of July 1, 2019.

West Bonner County School District No. 83
Schedule of Employer Contributions - PERSI Sick Leave Plan
Last 10 Fiscal Years*

Fiscal Year	Statutorily Required Contribution (a)	Actual Employer Contribution (b)	Contribution Excess (Deficiency) (b-a)	Employer's Covered Employee Payroll (c)	Contributions as a Percentage of Covered Employee Payroll (b / c)
2017	\$ 73,510	\$ 73,267	\$ (243)	\$ 6,337,049	1.16%
2018	74,184	74,186	2	6,395,207	1.16%
2019	74,163	74,164	1	6,393,402	1.16%
2020	37,628	37,628	-	6,374,516	0.59%

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full ten-year trend is compiled, the District will present information for those years for which information is available.

Data reported is measured as of June 30, 2020.

West Bonner County School District No. 83
Notes to Other Postemployment Benefits Plan Schedules
June 30, 2020

1. Changes of Benefit Terms – Insurance Plan

There were no changes in benefit terms during the Insurance Plan year ended June 30, 2020.

2. Changes in Assumptions – Insurance Plan

There were no changes in assumptions during the Insurance Plan year ended June 30, 2020.

3. Changes of Benefit Terms – PERSI Sick Leave Plan

There were no changes in benefit terms during the Sick Leave Plan year ended June 30, 2019.

4. Changes in Assumptions – PERSI Sick Leave Plan

There were no changes in assumptions during the Plan year ended June 30, 2019.

West Bonner County School District No. 83
Schedule of Employer's Share of the Net Pension Liability - PERSI Base Plan
Last 10 Plan Years *

<u>Plan Year</u>	<u>Employer's Portion of NPL</u>	<u>Employer's Proportionate Share of NPL (a)</u>	<u>Employer's Covered Employee Payroll (b)</u>	<u>Employer's NPL as a Percentage of Covered Payroll (a/b)</u>	<u>Plan Net Position as a Percentage of Total Pension Liability</u>
2014	0.002158908	\$ 1,589,294	\$ 5,849,827	27.17%	94.95%
2015	0.002169167	2,856,440	6,071,306	47.05%	91.38%
2016	0.002104832	4,266,818	6,163,227	69.23%	87.26%
2017	0.002033565	3,196,415	6,337,049	50.44%	90.68%
2018	0.001987718	2,931,919	6,394,287	45.85%	91.69%
2019	0.001888858	2,156,079	6,412,343	33.62%	93.79%

* GASB Statement No. 68 requires 10 years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Data reported is measured as of July 1, 2019.

West Bonner County School District No. 83
Schedule of Employer Contributions - PERSI Base Plan
Last 10 Fiscal Years *

Fiscal Year	Statutorily Required Contribution (a)	Actual Employer Contribution (b)	Contribution Excess (Deficiency) (b-a)	Employer's Covered Employee Payroll (c)	Contributions as a Percentage of Covered Employee Payroll (b / c)
2014	\$ 662,200	\$ 662,080	\$ (120)	\$ 5,849,827	11.32%
2015	687,272	687,273	1	6,071,306	11.32%
2016	697,677	697,678	1	6,163,227	11.32%
2017	717,354	717,353	(1)	6,337,049	11.32%
2018	723,833	723,833	-	6,394,287	11.32%
2019	725,877	725,877	-	6,412,343	11.32%
2020	777,556	777,527	(29)	6,512,197	11.94%

* GASB Statement No. 68 requires 10 years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Data reported is measured as of June 30, 2020.

West Bonner County School District No. 83
Notes to PERSI Base Plan Schedules
June 30, 2020

1. Changes in Benefit Terms

There were no changes in benefit terms during the Plan year ended June 30, 2019.

2. Changes in Composition of the Population

There were no changes in the composition of the population during the Plan year ended June 30, 2019.

3. Changes in Assumptions

There were no changes in actuarial assumptions during the Plan year ended June 30, 2019.

Other Supplementary Information

West Bonner County School District No. 83
Combining Balance Sheet - General Fund
June 30, 2020

ASSETS

Assets:

Cash and cash equivalents	\$ 494,320	\$ 187,309	\$ 1,195,529	\$ 301,389	\$ 51,769	\$ 180,465	\$ 221,918	\$ (470,705)	\$ 2,161,994
Receivables	478,648	-	-	7,526	744	8,086	9,917	882,144	1,387,065
Prepaid expenses	-	-	-	-	-	-	9,120	-	9,120
Inventory	-	-	-	-	-	-	-	-	-
Due from other funds	194,350	-	-	-	-	-	-	-	194,350
Total assets	\$ 1,167,318	\$ 187,309	\$ 1,195,529	\$ 308,915	\$ 52,513	\$ 188,551	\$ 240,955	\$ 411,439	\$ 3,752,529

LIABILITIES, DEFERRED INFLOWS OF
RESOURCES AND FUND BALANCES

Liabilities:

Accounts payable	\$ 71,316	\$ -	\$ -	\$ 426	\$ -	\$ -	\$ -	\$ 120	\$ 71,862
Accrued payroll and related liabilities	962,059	-	-	22,352	-	-	534	23,064	1,008,009
Unearned grant revenue	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-
Total liabilities	1,033,375	-	-	22,778	-	-	534	23,184	1,079,871

Deferred inflows of resources:

Deferred property tax revenue	133,943	-	-	-	-	-	-	-	133,943
Total deferred inflows of resources	133,943	-	-	-	-	-	-	-	133,943

Fund balances:

Nonspendable:	-	-	-	-	-	-	9,120	-	9,120
Prepaid expenses	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
Restricted for:	-	-	-	-	-	-	-	-	-
Program requirements	-	-	-	286,137	-	-	-	-	286,137
Replacement of plant equipment	-	-	-	-	-	-	-	-	-
Committed for:	-	-	-	-	-	-	-	-	-
Unforeseen expenditures	-	-	1,195,529	-	-	-	-	-	1,195,529
Assigned to:	-	-	-	-	-	-	-	-	-
Instruction	-	-	-	-	52,513	188,551	231,301	388,255	860,620
Support services	-	187,309	-	-	-	-	-	-	187,309
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances	-	187,309	1,195,529	286,137	52,513	188,551	240,421	388,255	2,538,715

Total liabilities, deferred inflows
of resources and fund balances

	\$ 1,167,318	\$ 187,309	\$ 1,195,529	\$ 308,915	\$ 52,513	\$ 188,551	\$ 240,955	\$ 411,439	\$ 3,752,529
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West Bonner County School District No. 83
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2020

	Total Non-Major State Funds	Total Non-Major Federal Funds	Child Nutrition Fund	Bus Acquisition Fund	Total Non-Major Governmental Funds
ASSETS					
Assets:					
Cash and cash equivalents	\$ 46,607	\$ 153,094	\$ -	\$ 37,768	\$ 237,469
Receivables	-	287,382	28,728	-	316,110
Prepaid expenses	-	-	-	-	-
Inventory	-	-	27,014	-	27,014
Due from other funds	-	-	-	-	-
Total assets	<u>\$ 46,607</u>	<u>\$ 440,476</u>	<u>\$ 55,742</u>	<u>\$ 37,768</u>	<u>\$ 580,593</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,197	\$ -	\$ 544	\$ -	\$ 1,741
Accrued payroll and related liabilities	1,515	165,217	35,471	-	202,203
Unearned grant revenue	43,895	26,195	-	-	70,090
Due to other funds	-	180,995	13,355	-	194,350
Total liabilities	<u>46,607</u>	<u>372,407</u>	<u>49,370</u>	<u>-</u>	<u>468,384</u>
Deferred inflows of resources:					
Deferred property tax revenue	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:					
Nonspendable:					
Prepaid expenses	-	-	-	-	-
Inventories	-	-	27,014	-	27,014
Restricted for:					
Program requirements	-	68,069	-	-	68,069
Replacement of plant equipment	-	-	-	37,768	37,768
Committed for:					
Unforeseen expenditures	-	-	-	-	-
Assigned to:					
Instruction	-	-	-	-	-
Support services	-	-	-	-	-
Unassigned	-	-	(20,642)	-	(20,642)
Total fund balances	<u>-</u>	<u>68,069</u>	<u>6,372</u>	<u>37,768</u>	<u>112,209</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 46,607</u>	<u>\$ 440,476</u>	<u>\$ 55,742</u>	<u>\$ 37,768</u>	<u>\$ 580,593</u>

West Bonner County School District No. 83
Combining Balance Sheet - Non-Major State Funds
June 30, 2020

	Drivers Education Fund	Vocational Education Fund	Technology Grant Fund	State Drug Free Grant Fund	Total Non-Major State Funds
ASSETS					
Assets:					
Cash and cash equivalents	\$ -	\$ 7,565	\$ 17,700	\$ 21,342	\$ 46,607
Receivables	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Inventory	-	-	-	-	-
Due from other funds	-	-	-	-	-
Total assets	\$ -	\$ 7,565	\$ 17,700	\$ 21,342	\$ 46,607
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 1,197	\$ -	\$ -	\$ 1,197
Accrued payroll and related liabilities	-	1,074	441	-	1,515
Unearned grant revenue	-	5,294	17,259	21,342	43,895
Due to other funds	-	-	-	-	-
Total liabilities	-	7,565	17,700	21,342	46,607
Deferred inflows of resources:					
Deferred property tax revenue	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund balances:					
Nonspendable:					
Prepaid expenses	-	-	-	-	-
Inventories	-	-	-	-	-
Restricted for:					
Program requirements	-	-	-	-	-
Replacement of plant equipment	-	-	-	-	-
Committed for:					
Unforeseen expenditures	-	-	-	-	-
Assigned to:					
Instruction	-	-	-	-	-
Support services	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	-	-	-	-	-
Total liabilities, deferred inflows of resources and fund balances	\$ -	\$ 7,565	\$ 17,700	\$ 21,342	\$ 46,607

West Bonner County School District No. 83
Combining Balance Sheet - Non-Major Federal Funds
June 30, 2020

	Federal Forest Fund	Title I-A Fund	Title VI Part B Fund	Title VI Part B Preschool Fund	Medicaid Fund	Title IV-A Fund	REAP Fund	Carl Perkins Fund	Title II-A Fund	NSF MMRE Fund	21st Century Fund	GEAR UP Fund	Total Non-Major Federal Funds
ASSETS													
Assets:													
Cash and cash equivalents	\$ -	\$ 32,957	\$ -	\$ 5,487	\$ 77,872	\$ -	\$ 3,860	\$ -	\$ 30,584	\$ 2,119	\$ 215	\$ -	\$ 153,094
Receivables	-	149,507	62,207	1,544	-	-	33,009	23,334	-	-	-	17,781	287,382
Prepaid expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ -	\$ 182,464	\$ 62,207	\$ 7,031	\$ 77,872	\$ -	\$ 36,869	\$ 23,334	\$ 30,584	\$ 2,119	\$ 215	\$ 17,781	\$ 440,476
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES													
Liabilities:													
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and related liabilities	-	86,199	50,064	2,488	9,803	-	6,723	-	6,723	-	-	3,217	165,217
Unearned grant revenue	-	-	-	-	-	-	-	-	23,861	2,119	215	-	26,195
Due to other funds	-	96,265	12,143	4,543	-	-	30,146	23,334	-	-	-	14,564	180,995
Total liabilities	-	182,464	62,207	7,031	9,803	-	36,869	23,334	30,584	2,119	215	17,781	372,407
Deferred inflows of resources:													
Deferred property tax revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund balances:													
Nonspendable:													
Prepaid expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted for:													
Program requirements	-	-	-	-	68,069	-	-	-	-	-	-	-	68,069
Replacement of plant equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Committed for:													
Unforeseen expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-
Assigned to:													
Instruction	-	-	-	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	-	-	-	-	68,069	-	-	-	-	-	-	-	68,069
Total liabilities, deferred inflows of resources and fund balances	\$ -	\$ 182,464	\$ 62,207	\$ 7,031	\$ 77,872	\$ -	\$ 36,869	\$ 23,334	\$ 30,584	\$ 2,119	\$ 215	\$ 17,781	\$ 440,476

West Bonner County School District No. 83
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - General Fund
For the Year Ended June 30, 2020

REVENUES

	General Fund	Medical Insurance Fund	Contingency Fund	General Grants Fund	Supplemental Levy 2016-2017	Supplemental Levy 2017-2018	Supplemental Levy 2018-2019	Supplemental Levy 2019-2020	Total General Fund
Property taxes	\$ 190,122	\$ -	\$ -	\$ -	\$ 23,752	\$ 42,617	\$ 84,302	\$ 2,961,282	\$ 3,302,075
Other local revenue	2,681	123,182	-	47,038	-	-	-	-	172,901
State assistance and reimbursements	6,400,234	-	-	281,301	-	-	-	-	6,681,535
National Forest Reserve	-	-	-	-	-	-	-	-	-
Other federal revenues	-	-	-	-	-	-	-	-	-
Total revenues	6,593,037	123,182	-	328,339	23,752	42,617	84,302	2,961,282	10,156,511

EXPENDITURES

Instruction:									
Elementary programs	1,726,400	-	-	111,770	938	1,103	9,869	5,325	1,855,405
Secondary programs	1,743,870	-	-	25,478	945	2,558	9,939	17,771	1,800,561
Vocational education programs	243,361	-	-	-	-	-	-	-	243,361
Special education programs	735,575	-	-	275	-	-	-	-	735,575
Exceptional child, gifted and talented programs	-	-	-	-	6,655	6,269	11,028	850	1,125
Interscholastic and school activity programs	-	-	-	-	-	-	-	287,184	311,136
Summer school	15,437	-	-	-	-	-	-	-	15,437
Total instruction	4,464,643	-	-	137,523	8,538	9,930	30,836	311,130	4,962,600

Support services:

Attendance, guidance and health	251,086	-	-	19,911	14,749	15,220	17,315	10,649	328,930
Special services	227,184	-	-	-	-	-	-	-	227,184
Instruction improvement	63,949	-	-	158,923	18,050	45,073	49,579	126,994	462,568
Educational media program	187,342	-	-	-	361	1,372	2,403	12,372	203,850
Technology program	270,318	-	-	-	377	10	3,337	21,107	295,149
District administration	232,216	32,852	-	116	-	-	-	-	265,184
School administration	745,203	-	-	-	-	-	-	-	745,203
Business operations	391,240	-	-	-	-	-	-	-	391,240
Custodial and maintenance	1,530,730	-	-	-	162	283	5,095	131,019	1,667,289
Transportation	479,560	-	-	-	-	1,384	-	30,328	511,272
Total support services	4,378,828	32,852	-	178,950	33,699	63,342	77,729	332,469	5,097,869

Non-instruction programs:

Child nutrition programs	14,799	-	-	-	-	-	-	-	14,799
Total non-instruction programs	14,799	-	-	-	-	-	-	-	14,799

Debt service

	21,378	-	-	-	-	-	-	-	21,378
Total capital assets and debt service	21,378	-	-	-	-	-	-	-	21,378
Total expenditures	8,879,648	32,852	-	316,473	42,237	73,272	108,565	643,599	10,096,646

Excess (deficiency) of revenues over (under) expenditures

	(2,286,611)	90,330	-	11,866	(18,485)	(30,655)	(24,263)	2,317,683	59,865
OTHER FINANCING SOURCES (USES)									
Proceeds from capital leases	43,616	-	-	-	-	-	-	-	43,616
Transfers from (to) other funds	2,242,995	(90,000)	(222,240)	2,709	(131,195)	(19,173)	(1,790)	(1,994,042)	(212,736)
Net changes in fund balances	-	330	(222,240)	14,575	(149,680)	(49,828)	(26,053)	323,641	(109,255)
Total fund balances, beginning of year	-	186,979	1,417,769	271,562	202,193	238,379	266,474	64,614	2,647,970
Total fund balances, end of year	-	\$ 187,309	\$ 1,195,529	\$ 286,137	\$ 52,513	\$ 188,551	\$ 240,421	\$ 388,255	\$ 2,538,715

West Bonner County School District No. 83
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Non-Major Governmental Funds
For the Year Ended June 30, 2020

	Total Non-Major State Funds	Total Non-Major Federal Funds	Child Nutrition Fund	Bus Acquisition Fund	Total Non-Major Governmental Funds
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other local revenue	-	-	38,951	-	38,951
State assistance and reimbursements	177,437	-	-	-	177,437
National Forest Reserve	-	36,107	-	-	36,107
Other federal revenues	-	1,162,986	377,358	-	1,540,344
Total revenues	177,437	1,199,093	416,309	-	1,792,839
EXPENDITURES					
Instruction:					
Elementary programs	-	469,559	-	-	469,559
Secondary programs	45,898	20,774	-	-	66,672
Vocational education programs	-	-	-	-	-
Special education programs	-	283,552	-	-	283,552
Exceptional child, gifted and talented programs	-	-	-	-	-
Interscholastic and school activity programs	-	-	-	-	-
Summer school	-	-	-	-	-
Total instruction	45,898	773,885	-	-	819,783
Support services:					
Attendance, guidance and health	2,371	58,756	-	-	61,127
Special services	-	219,618	-	-	219,618
Instruction improvement	-	154,109	-	-	154,109
Educational media program	-	-	-	-	-
Technology program	129,168	-	-	-	129,168
District administration	-	-	-	-	-
School administration	-	13,758	-	-	13,758
Business operations	-	-	-	-	-
Custodial and maintenance	-	-	-	-	-
Transportation	-	-	-	95,985	95,985
Total support services	131,539	446,241	-	95,985	673,765
Non-instruction programs:					
Child nutrition programs	-	-	513,227	-	513,227
Total non-instruction programs	-	-	513,227	-	513,227
Debt service					
Total capital assets and debt service	-	-	-	-	-
Total expenditures	177,437	1,220,126	513,227	95,985	2,006,775
Excess (deficiency) of revenues over (under) expenditures	-	(21,033)	(96,918)	(95,985)	(213,936)
OTHER FINANCING SOURCES (USES)					
Proceeds from capital leases	-	-	-	-	-
Proceeds from sales of capital assets	-	-	-	1,200	1,200
Transfers from (to) other funds	-	21,033	96,918	94,785	212,736
Net changes in fund balances	-	-	-	-	-
Total fund balances, beginning of year	-	68,069	6,372	37,768	112,209
Total fund balances, end of year	\$ -	\$ 68,069	\$ 6,372	\$ 37,768	\$ 112,209

West Bonner County School District No. 83
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Non-Major State Funds
For the Year Ended June 30, 2020

	Drivers Education Fund	Vocational Education Fund	Technology Grant Fund	State Drug Free Grant Fund	Total Non-Major State Funds
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other local revenue	-	-	-	-	-
State assistance and reimbursements	6,500	39,398	129,168	2,371	177,437
National Forest Reserve	-	-	-	-	-
Other federal revenues	-	-	-	-	-
Total revenues	6,500	39,398	129,168	2,371	177,437
EXPENDITURES					
Instruction:					
Elementary programs	-	-	-	-	-
Secondary programs	6,500	39,398	-	-	45,898
Vocational education programs	-	-	-	-	-
Special education programs	-	-	-	-	-
Exceptional child, gifted and talented programs	-	-	-	-	-
Interscholastic and school activity programs	-	-	-	-	-
Summer school	-	-	-	-	-
Total instruction	6,500	39,398	-	-	45,898
Support services:					
Attendance, guidance and health	-	-	-	2,371	2,371
Special services	-	-	-	-	-
Instruction improvement	-	-	-	-	-
Educational media program	-	-	-	-	-
Technology program	-	-	129,168	-	129,168
District administration	-	-	-	-	-
School administration	-	-	-	-	-
Business operations	-	-	-	-	-
Custodial and maintenance	-	-	-	-	-
Transportation	-	-	-	-	-
Total support services	-	-	129,168	2,371	131,539
Non-instruction programs:					
Child nutrition programs	-	-	-	-	-
Total non-instruction programs	-	-	-	-	-
Debt service	-	-	-	-	-
Total capital assets and debt service	-	-	-	-	-
Total expenditures	6,500	39,398	129,168	2,371	177,437
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-
OTHER FINANCING SOURCES (USES)					
Proceeds from capital leases	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Transfers from (to) other funds	-	-	-	-	-
Net changes in fund balances	-	-	-	-	-
Total fund balances, beginning of year	-	-	-	-	-
Total fund balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ -

West Bonner County School District No. 83
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Federal Funds
For the Year Ended June 30, 2020

	Federal Fund	Title I-A Fund	Title VI Part B Fund	Title VI Part B Preschool Fund	Medicaid Fund	Title IV-A Fund	REAP Fund	Carl Perkins Fund	Title II-A Fund	NSF MMRE Fund	21st Century Fund	GEAR UP Fund	Total Non-Major Federal Funds
REVENUES													
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other local revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
State assistance and reimbursements	-	-	-	-	-	-	-	-	-	-	-	-	-
National Forest Reserve	36,107	483,317	272,125	11,427	221,234	597	77,496	20,774	39,187	-	-	36,829	36,107
Other federal revenues	-	-	-	-	-	-	-	-	-	-	-	-	1,162,986
Total revenues	36,107	483,317	272,125	11,427	221,234	597	77,496	20,774	39,187	-	-	36,829	1,195,093
EXPENDITURES													
Instruction:													
Elementary programs	-	469,559	-	-	-	-	-	-	-	-	-	-	469,559
Secondary programs	-	-	-	-	-	-	-	20,774	-	-	-	-	20,774
Vocational education programs	-	-	-	-	-	-	-	-	-	-	-	-	-
Special education programs	-	-	272,125	11,427	-	-	-	-	-	-	-	-	283,552
Exceptional child, gifted and talented programs	-	-	-	-	-	-	-	-	-	-	-	-	-
Interscholastic and school activity programs	-	-	-	-	-	-	-	-	-	-	-	-	-
Summer school	-	-	-	-	-	-	-	-	-	-	-	-	-
Total instruction	-	469,559	272,125	11,427	-	-	-	20,774	-	-	-	-	773,885
Support services:													
Attendance, guidance and health	-	-	-	-	-	-	-	-	-	-	-	-	-
Special services	-	-	-	-	58,756	-	-	-	-	-	-	-	58,756
Instruction improvement	-	-	-	-	219,618	597	77,496	-	39,187	-	-	36,829	219,618
Educational media program	-	-	-	-	-	-	-	-	-	-	-	-	154,109
Technology program	-	-	-	-	-	-	-	-	-	-	-	-	-
District administration	-	-	-	-	-	-	-	-	-	-	-	-	-
School administration	-	13,758	-	-	-	-	-	-	-	-	-	-	13,758
Business operations	-	-	-	-	-	-	-	-	-	-	-	-	-
Custodial and maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-
Total support services	-	13,758	-	-	278,374	597	77,496	-	39,187	-	-	36,829	446,241
Non-instruction programs:													
Child nutrition programs	-	-	-	-	-	-	-	-	-	-	-	-	-
Total non-instruction programs	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-	-	-
Total capital assets and debt service	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	-	483,317	272,125	11,427	278,374	597	77,496	20,774	39,187	-	-	36,829	1,220,126
Excess (deficiency) of revenues over (under) expenditures	36,107	-	-	-	(57,140)	-	-	-	-	-	-	-	(21,033)
OTHER FINANCING SOURCES (USES)													
Proceeds from capital leases	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sales of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers from (to) other funds	(36,107)	-	-	-	57,140	-	-	-	-	-	-	-	21,033
Net changes in fund balances	-	-	-	-	-	-	-	-	-	-	-	-	-
Total fund balances, beginning of year	-	-	-	-	68,069	-	-	-	-	-	-	-	68,069
Total fund balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ 68,069	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,069

West Bonner County School District No. 83
Schedule of Changes in Student Activity Funds
For the Year Ended June 30, 2020

	Balances, 06/30/2019	Receipts	Disbursements	Balances, 06/30/2020
Idaho Hills Elementary	\$ 12,393	\$ 14,165	\$ 14,340	\$ 12,218
Priest Lake Elementary	6,593	300	609	6,284
Priest River Elementary	26,307	23,253	18,717	30,843
Priest River Junior High	16,636	20,026	17,946	18,716
Priest River Lamanna High	107,132	116,247	111,010	112,369
PREP Alternative High School	177	-	177	-
Totals	<u>\$ 169,238</u>	<u>\$ 173,991</u>	<u>\$ 162,799</u>	<u>\$ 180,430</u>

Compliance Reports



**Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards***

Board of Trustees
West Bonner County School District No. 83
Priest River, Idaho

We have audited, in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of West Bonner County School District No. 83 ("the District"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 10, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as Finding 2020-001, that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

District's Response to the Finding

The District's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the District's response and, accordingly, we express no opinion on it.

Purpose of this Report

The sole purpose of this report is to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

DeCoria, Maichel + Teague, P.S.

DeCoria, Maichel & Teague, P.S.
Spokane, Washington

November 10, 2020

West Bonner County School District No. 83
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

Federal Grantor/ Pass-Through Grantor Program Title	Pass-Through ID Number	Federal CFDA Number	Expenditures
U.S. Department of Education Passed Through Idaho State Department of Education:			
Title I-A - Local Education Agencies	S010A180012	84.010	\$ 46,409
Title I-A - Local Education Agencies	S010A190012	84.010	436,908
			\$ 483,317
Special Education Cluster:			
Title VI-B - Federal Special Education K-12	H027A180088	84.027	16,106
Title VI-B - Federal Special Education K-12	H027A190088	84.027	256,019
Title VI-BP - Federal Special Education Preschool	H173A180030	84.173	5,489
Title VI-BP - Federal Special Education Preschool	H173A190030	84.173	5,938
			283,552
Carl Perkins Federal Vocational Education	V048A180012	84.048	20,774
Gaining Early Awareness and Readiness for Undergraduate Programs	P334S180012	84.334	36,829
Title V-B - Rural Education Achievement Program	S358B180012	84.358	9,189
Title V-B - Rural Education Achievement Program	S358B190012	84.358	10,767
			19,956
Title II-A - Supporting Effective Instruction	S367A180011	84.367	28,340
Title II-A - Supporting Effective Instruction	S367A190011	84.367	31,522
			59,862
Title IV-A - Student Support & Academic Enrichment	S424A180013	84.424	7,317
Title IV-A - Student Support & Academic Enrichment	S424A190013	84.424	30,145
			37,462
Total U.S. Department of Education			941,752
U.S. Department of Agriculture Passed Through Idaho State Department of Education:			
Child Nutrition Cluster:			
Non-Cash Assistance (Commodities):			
National School Lunch Program	2020IN109947	10.555	22,545
Cash Assistance:			
School Breakfast Program	2020IN109947	10.553	79,083
National School Lunch Program	2020IN109947	10.555	147,076
Summer Food Service Program for Children	2019IN109947	10.559	8,535
COVID-19 - Summer Food Service Program for Children	2020N850347	10.559	98,814
			333,508
Fresh Fruit and Vegetable Program	2019IL160347	10.582	16,529
COVID-19 - Fresh Fruit and Vegetable Program	2020N850347	10.582	4,776
			21,305
Schools and Roads Grants to States (Forest Reserve)	--	10.665	36,107
Total U.S. Department of Agriculture			413,465
Total Federal Financial Assistance			\$ 1,355,217

West Bonner County School District No. 83
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of West Bonner County School District No. 83 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

2. Transferability

As allowed by federal regulations, the District elected to transfer program funds. During 2020, the District expended \$20,675 from its Title II, Part A Supporting Effective Instruction grant funds (CFDA No. 84.367) on allowable activities of the Title V, Part B Rural Education Achievement Program (CFDA No. 84.358). This amount is reflected in the accompanying Schedule of Expenditures of Federal Awards as expenditures of Title II, Part A Supporting Effective Instruction grant funds (CFDA No. 84.367). In addition, the District expended \$36,865 from its Title IV, Part A Student Support and Academic Enrichment grant funds (CFDA No. 84.424) on allowable activities of the Title V, Part B Rural Education Achievement Program (CFDA No. 84.358). This amount is reflected in the accompanying Schedule of Expenditures of Federal Awards as expenditures of Title IV, Part A Student Support and Academic Enrichment grant funds (CFDA No. 84.424).



Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

Board of Trustees
West Bonner County School District No. 83
Priest River, Idaho

Report on Compliance for Each Major Federal Program

We have audited West Bonner County School District No. 83's ("the District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, West Bonner County School District No. 83 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The sole purpose of this report on internal control over compliance is to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

DeCoria, Maichel & Teague, P.S.

DeCoria, Maichel & Teague, P.S.
Spokane, Washington

November 10, 2020

**West Bonner County School District No. 83
Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Section I – Summary of Auditor’s Results:

Financial Statements

The report of independent auditor expressed unmodified opinions on the basic financial statements of West Bonner County School District No. 83.

The audit of the financial statements of West Bonner County School District No. 83 disclosed a significant deficiency in internal control over financial reporting.

The significant deficiency in internal control over financial reporting was not considered to be a material weakness.

The audit disclosed no compliance findings material to the financial statements of West Bonner County School District No. 83.

Federal Awards

The report of independent auditor expressed an unmodified opinion on compliance for major programs.

The audit identified no significant deficiencies for internal control over major programs.

The audit identified no material weaknesses for internal control over major programs.

The audit disclosed no compliance findings that are required to be reported in accordance with the Uniform Guidance.

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
	Child Nutrition Cluster:
10.553	School Breakfast Program
10.555	National School Lunch Program
10.559	Summer Food Service Program for Children
10.559	COVID-19 - Summer Food Service Program for Children

The dollar threshold used to distinguish type A and B programs was \$750,000.

The auditee qualified as a low-risk auditee.

West Bonner County School District No. 83
Schedule of Findings and Questioned Costs, Continued
Year Ended June 30, 2020

Section II – Financial Statement Findings:

This section identifies the significant deficiencies, material weaknesses, and instances of non-compliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

Finding 2020-001

Condition	The size of the District's staff is not large enough to permit a complete segregation of duties for an effective system of internal control over financial reporting.
Criteria	An effective system of internal control over financial reporting requires that closely related duties be segregated.
Effect	The concentration of closely related duties and responsibilities by a small staff makes it difficult to establish a complete system of automatic internal checks on the accuracy and reliability of the accounting records.
Cause	The District's staff is too small to allow a complete segregation of duties.
Recommendation	Although the District's staff is not large enough to permit a complete segregation of duties for an effective system of internal control over financial reporting, we recommend that officials be aware that the condition does exist.
Management's Response	Management and the Board of Trustees are aware of this condition. Management believes that the District has minimized the risk to the degree possible, given the size of the District, the limited number of office staff, and associated costs or other considerations.

West Bonner County School District No. 83
Schedule of Findings and Questioned Costs, Continued
Year Ended June 30, 2020

Section III – Federal Award Findings and Questioned Costs

This section identifies the audit findings (significant deficiencies, material weaknesses, and instances of non-compliance, including questioned costs) related to federal awards that are required to be reported in accordance with the Uniform Guidance.

There were no findings in the current year.

West Bonner County School District No. 83
Status of Prior Year Findings
Year Ended June 30, 2020

Finding 2019-001

Condition: The size of the District's staff is not large enough to permit a complete segregation of duties for an effective system of internal control over financial reporting.

Status: This condition still exists as of June 30, 2020. See Finding 2020-001.